

Aviva Lifetime Mortgage Terms and Conditions

Aviva Lifestyle Max
Edition (12) - Variation

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Section 1: General information

This document contains the terms and conditions for your Lifetime Mortgage. They should be read together with your Lifetime Mortgage Offer, the Legal Charge and the Tariff of Charges.

1.1. Definitions and interpretations

Throughout these Conditions, we use a number of technical words and other expressions which we have capitalised. We have explained the meaning of these words and expressions in section 2 below. The terms “we”, “us” and “you” are defined in section 2 but are not capitalised.

The headings used in these Conditions are not intended to have any legal effect and are inserted for convenience only. The statements in **bold** are for explanation only and do not create any additional obligations.

References to writing may include electronic communication where appropriate.

References to any provision of any law include that provision as amended at any time.

It doesn't affect our rights if we don't enforce any of the Conditions that apply to the Lifetime Mortgage. This includes any situations where you don't meet your obligations to us.

Your Lifetime Mortgage is a special type of loan designed to run for the rest of your life. You will not make any monthly repayments during the Term of your Lifetime Mortgage, although you will have the option to make voluntary partial repayments in accordance with section 5 if you wish to do so.

1.2. Our promise to you

We will always act fairly, in good faith and in a reasonable manner towards you when we deal with your Lifetime Mortgage and when we apply or enforce these Conditions. If you wish to tell us about a problem or complaint please contact us. You can find information on our complaints procedure and our contact details in your Lifetime Mortgage Offer.

Section 2: Definitions

(For your convenience, we have listed these in alphabetical order)

“ADL”	one of the following activities of daily living (ADL), which we have based upon definitions recommended by the Association of British Insurers:
“dressing”	being able to put on, take off, secure and unfasten all clothes and, as appropriate, braces, artificial limbs or other surgical appliances;
“feeding”	being able to feed yourself once food has been prepared and made available;
“moving around”	being able to move from room to room in your home;
“sitting down and getting up”	being able to move from bed to an upright chair or wheelchair and vice versa;
“using the toilet”	being able to manage bowel and bladder function with the use of protective undergarments or surgical appliances if appropriate;
“washing”	being able to wash in a bath or shower (including getting into or out of either) or wash by any other means;
“Additional Borrowing”	any additional Lump Sum that, in accordance with section 14, we agree to. Any Additional Borrowing is charged at the interest rate applicable at the time it is taken. This may be different to the original loan Interest Rate.
“Anniversary Date”	the date in each year during the Term corresponding with the Completion Date of the first Lump Sum.
“Application Fee”	our reasonable costs for dealing with any request by you to change your Lifetime Mortgage. The Application Fee for each kind of change is referred to in sections 9, 11, 12, and 14 and shown in the Tariff of Charges.
“Assured Shorthold Tenancy Agreement”	an agreement for an “assured shorthold tenancy” as defined by the Housing Act 1988.

“Completion Date”	the date we advance any Lump Sum to you.
“Completion Letter”	the letter we send to you within seven days of the Completion Date to confirm that your Lifetime Mortgage has started.
“Conditions”	the terms and conditions relating to your Lifetime Mortgage as set out in this document.
“Current Rate”	the Interest Rate you would receive for your Lump Sum if you were issued a new lifetime mortgage quotation at any point in time.
“Dementia”	lost mental ability causing confusion, lack of awareness and impaired judgement. There should be an identifiable physical reason for the deterioration and there should be evidence that the ability to think, perceive, reason and remember have gradually got worse. To assess the impairment we will use the results of recognised clinical tests to find out short-term and long-term memory loss, orientation, judgement and the ability to register thoughts.
“Early Repayment Charge”	the charge you may have to pay if your Lifetime Mortgage is repaid early. Sections 5, 9, 18 and 20 of these Conditions provide further information about when an Early Repayment Charge may apply.
“Encumbrance”	any burden, interest, right, or claim that adversely affects the Property’s use and value.
“Exclusive Possession”	the right to use a premises to the exclusion of all others, including the landlord.
“Inheritance Guarantee”	an additional product feature which (if selected and subject to certain conditions being met) ensures that, you or your estate will be left with some money when the Property is sold. It is more fully described in section 7.
“Insolvent”	where the value of debts exceeds the value of assets or debts are unable to be paid as they fall due.
“Interest Rate”	the fixed interest rate we will charge on the Lump Sum as described in section 3 of these Conditions and in section 5 of the Lifetime Mortgage Offer. As explained in section 3, the Interest Rate for the Lump Sum will remain fixed throughout the period from the Completion Date to the Repayment Date.
“Legal Charge”	the interest in the Property, which you agree to give to us as security for your Lifetime Mortgage or, if the Property is in Scotland, a Standard Security over the Property which you agree to give us as security for your Lifetime Mortgage or, if the Property is in Northern Ireland, a legal charge or mortgage over the Property which you agree to give us as security for your Lifetime Mortgage.
“Lending Criteria”	the rules which govern our lifetime mortgages at any particular time including but not limited to the types and values of properties we are willing to accept as security for our lifetime mortgages, the persons who we are prepared to lend to and the minimum and maximum amounts we are willing to lend against different types of properties or persons. We may change our Lending Criteria from time to time. If you apply for our consent during the Term under sections 9, 10 or 14 then the rules may be different to the Lending Criteria which applied at any prior Completion Date.
“Lifetime Mortgage”	the loan from Aviva Equity Release UK Limited, the terms of which are contained in these Conditions and the Lifetime Mortgage Offer.
“Lifetime Mortgage Offer”	our offer to provide you with a Lifetime Mortgage, and any offer to provide you with Additional Borrowing under the terms of section 14.

“Long-Term Care”	the permanent care you would need from another person or other persons, either to help you to perform two or more ADLs, or because you are suffering from Dementia.
“Lump Sum”	the one-off cash sum we advance to you.
“New Home”	the home you wish to move to and transfer your Lifetime Mortgage to under the terms of section 9.
“No Negative Equity Guarantee”	our guarantee that you will never owe us more than the amount for which the Property is sold, provided it is sold for the best price reasonably obtainable and in accordance with the conditions described in section 6.
“Northern Ireland Tenancy Agreement”	a “tenancy agreement” as defined by the Private Tenancies (NI) Order 2006.
“Occupation Contract”	an agreement for an “occupation contract” as defined by the Renting Homes (Wales) Act 2016.
“Private Residential Tenancy”	an agreement for a “private residential tenancy” as defined by the Private Housing (Tenancies) (Scotland) Act 2016.
“Property”	the Property described on the first page of your Lifetime Mortgage Offer or, if you move to a New Home, any substitute Property we accept as security for your Lifetime Mortgage.
“Protected Amount”	the percentage of your Property value which you have chosen to protect under the Inheritance Guarantee as set out in your initial Lifetime Mortgage Offer, and adjusted for any reductions agreed under section 7.4.
“Receiver”	a person appointed by the Court to preserve and protect Property that is at risk or to obtain payment of debt.
“Regulated Mortgage Contract”	the definition of a “regulated mortgage contract” provided in article 61(3) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 as amended from time to time.
“Repayment Date”	the date your Lifetime Mortgage is repaid under section 4 or section 5.
“Request Date”	the date you ask us to tell you the Early Repayment Charge which would be payable if you repay your Lifetime Mortgage.
“Self-Contained Part of the Property”	any part of the Property which includes a self-contained living space capable of separate occupation with Exclusive Possession (for example, an annexe). This must not exceed 50% of the Property. Our Valuer will confirm if there is a Self-Contained Part of the Property.
“Tariff of Charges”	the tariff of costs and charges associated with your Lifetime Mortgage set out in the booklet which we provide to you. These costs and charges may be adjusted from time to time as described in section 19.3.
“Term”	the period between the Completion Date and the Repayment Date.
“Total Amount You Owe”	the total of all money you owe to us at any time under the terms of your Lifetime Mortgage.
“Valuer”	any person who provides (or has provided) us with a professional opinion of the value of the Property.
“We” and “Us”	Aviva Equity Release UK Limited (No 3286484) registered office Aviva, Wellington Row, York, YO90 1WR (including its successors, assigns and transferees whether legal or equitable). It also includes any person, firm or company claiming any right or interest from or through us and anyone to whom we transfer the Lifetime Mortgage, these Conditions and the Legal Charge.
“You”	the borrower or borrowers named in the Lifetime Mortgage Offer. This includes your personal representatives and executors and anyone claiming any right or interest from or through you.

Section 3: Interest

Each Interest Rate is a compound rate. Every year on the Anniversary Date, interest for the previous year will be compounded meaning that any interest added to your Lifetime Mortgage will itself attract interest and the Total Amount You Owe will therefore increase.

- 3.1. The Interest Rate for any Lump Sum is fixed on the Completion Date.
- 3.2. The Interest Rate for any Lump Sum is shown in section 5 of your Lifetime Mortgage Offer.
- 3.3. We will hold open the Interest Rate for any Lump Sum until the date shown in your Lifetime Mortgage Offer.
- 3.4. If, on the next working day after the date shown in your first Lifetime Mortgage Offer (the "Initial Offer"), the Current Rate is higher than the Interest Rate shown in the Initial Offer:
 - a. We will issue a subsequent Lifetime Mortgage Offer (the "Subsequent Offer");
 - b. The Interest Rate for the Lump Sum for the Subsequent Offer will be the Current Rate on the next working day after the date shown in the Initial Offer. This rate will be valid until the date shown in the Subsequent Offer.
- 3.5. If, on the next working day after the date shown in the Initial Offer, the Current Rate is the same or lower than the Interest Rate shown in the Initial Offer, provided there have been no other changes to your Lifetime Mortgage:
 - a. the Interest Rate for the Lump Sum will be the Current Rate on the next working day after the date shown in the Initial Offer;
 - b. In these circumstances we will not issue a Subsequent Offer but will provide you with a statement confirming the Interest Rate and the length of time this rate will apply.
- 3.6. Different Interest Rates may apply to each Lump Sum you borrow. We will tell you the Interest Rate for any future Lump sum when you request it and the Interest Rate will be fixed on the relevant Completion Date.
- 3.7. The Interest Rate on any cash you borrow as part of your Lifetime Mortgage is a fixed rate. This means that the Interest Rate will not change from the Completion Date to the Repayment Date.
- 3.8. We will charge interest on each Lump Sum at its interest rate from its Completion Date to the Repayment Date. We will calculate the interest daily, but it will be compounded annually. Interest will accrue on the Lump Sum on a daily basis increasing the Total Amount You Owe. On the Anniversary Date, any interest we add on the Lump Sum will be compounded and will itself attract interest at the same rate as the Lump Sum.
- 3.9. At least once in every year throughout the Term, we will send you a statement showing how much interest we have added to your Lifetime Mortgage and the Total Amount You Owe at that time.
- 3.10. You will not pay any interest before you repay your Lifetime Mortgage, except where:
 - a. you chose to make any voluntary partial repayments under the terms of section 5; or
 - b. you have to make a mandatory partial repayment of part of your Lifetime Mortgage because you are moving home under the terms of section 9.2, are selling part of the Property under the terms of section 10, or are having someone move into the Property under the terms of section 12.
- 3.11. When you repay your Lifetime Mortgage, the Total Amount You Owe will include the interest for the period from the most recent Anniversary Date to the Repayment Date.
- 3.12. Interest will continue to accrue after the last borrower leaves the Property upon death or entry into Long-Term Care, until the Lifetime Mortgage Repayment Date.

Section 4: When you have to repay your Lifetime Mortgage

- 4.1. You must repay your Lifetime Mortgage when one of the following events occurs:
 - a. If you are the only borrower:
 - i. when you die; or
 - ii. when you leave the Property permanently because you need Long-Term Care,whichever event occurs first.
 - b. If you are joint borrowers:
 - i. when you have both died; or
 - ii. when you have both left the Property permanently because you need Long-Term Care; or
 - iii. when you have both left the Property because one of you has died and the other has left the Property permanently because they need Long-Term Care;whichever event occurs first.
 - c. If our right to repayment has arisen because there is a Serious Default as described in section 18.
- 4.2. If you keep to these Conditions, we will not demand repayment of your Lifetime Mortgage before one of these events happens.

Section 5: Early repayment

If you wish to do so, you may make voluntary partial repayments under the terms of this section. We do not expect repayment for any other reason because you may have to pay an Early Repayment Charge.

If you want to repay your Lifetime Mortgage and you do not need Long-Term Care, you should discuss your intentions with your financial adviser to make sure it is the most appropriate course of action for you. You may have to pay an Early Repayment Charge.

- 5.1. You can only repay part of your Lifetime Mortgage where you are:
- required to make a mandatory partial repayment because you are moving home under the terms of section 9.2, having someone move into the Property under the terms of section 12, or selling part of the Property with our consent under the terms of section 10; or
 - making a voluntary partial repayment in accordance with the terms of this section.
- 5.2. In the 12 month period between each Anniversary Date, you can make unlimited voluntary partial repayments provided that:
- the minimum amount of any single payment is £50;
 - the maximum total combined payments that you can make in any such 12 month period are 10% of all the Lump Sums (this figure does not take into account any interest accrued or mandatory or voluntary partial repayments made), although we reserve the right to vary the maximum payment at any time by giving notice to you;
 - We are informed in advance of the voluntary partial repayment; and
 - the voluntary partial repayment is made by Direct Debit, BACS, Faster Payments, Debit Card or CHAPS.

We reserve the right to reject and return any voluntary partial repayment in full where any of the above conditions are not satisfied or if you are in Default under section 18 at the time the payment is received.

- 5.3. Voluntary partial repayments will not be applied until cleared funds are received and will be used to reduce the Total Amount You Owe. They will be used to repay your Lump Sum and a proportion of the interest that has accrued. A repayment statement will be issued to confirm the voluntary partial repayment.
- 5.4. If you have taken more than one Lump Sum, any voluntary partial repayments will be used to repay the most recent Lump Sum first. If the voluntary partial repayment is sufficient to repay the most recent Lump Sum in full, including the interest that has accrued, any remaining amount will be applied to repay earlier Lump Sums, starting with the most recent first.

5.5. You will not have to pay an Early Repayment Charge if:

- you are required to make a mandatory partial repayment of part of your Lifetime Mortgage under the terms of section 9.2, section 10 or section 12; or
- your Lifetime Mortgage is repaid as a result of death or the need for Long-Term Care as described in sections 4.1a and 4.1b; or
- you are the only borrower and, in circumstances where we determine you need Long-Term Care in accordance with section 8, you repay the Lifetime Mortgage but you do not leave the Property; or
- you are joint borrowers and you repay the Lifetime Mortgage and you both require Long-Term Care, or the surviving borrower requires Long-Term Care in accordance with section 8 but you do not leave the Property; or
- you are joint borrowers and your Lifetime Mortgage is repaid within three years of any of the following dates:
 - the earlier of:
 - the date on which the first of the borrowers dies; and
 - the date on which we determine that a borrower required Long-Term Care, regardless of whether that borrower actually leaves the Property permanently because of their need for Long-Term Care;
 - where more than three years have passed since the date on which the first of the borrowers died, the date on which we determine that the surviving borrower requires Long-Term Care;
 - where more than three years have passed since the date on which we determine that a borrower requires Long-Term Care, and neither borrower has died, the earlier of:
 - the date on which the first of the borrowers dies; and
 - the date on which we determine that the second borrower required Long-Term Care, regardless of whether either borrower has actually left the Property permanently because of their need for Long-Term Care; or
 - where more than three years have passed since the date on which we determine that a borrower requires Long-Term Care and, during that three year period, that same borrower died and we were not notified that the surviving borrower requires Long-Term Care, the date on which we determine that the surviving borrower requires Long-Term Care

(regardless of whether the surviving borrower has actually left the Property permanently because of their need for Long-Term Care);

- f. you make any voluntary partial repayments of your Lifetime Mortgage in accordance with the terms of this section 5; or
- g. you repay your Lifetime Mortgage in circumstances that meet the requirements described in section 9.3(b).

5.6. If you repay your Lifetime Mortgage for any reason other than those listed in 5.5 above, you may have to pay an Early Repayment Charge.

How do we calculate the Early Repayment Charge?

- 5.7. The Early Repayment Charge will be a percentage of the Total Amount you Owe on the Redemption Date. Your Mortgage Offer shows the percentage that will be used to calculate your Early Repayment Charge. The percentage reduces over time, depending on your Completion Date. If you take more than one Lump Sum, the percentage used to calculate the Early Repayment Charge may be different for each Lump Sum.
- 5.8. An Early Repayment Charge calculated in accordance with the fixed rate calculation basis is only valid on the Repayment Date.
- 5.9. If your Lifetime Mortgage is repaid as a result of a house move (see clause 9.3a), Serious Default (see clauses 18.3 & 18.7), or inaccurate disclosure of information (see clause 20.1c) then we will regard this as an early repayment and an Early Repayment Charge may be payable.

Section 6: No Negative Equity Guarantee

Your Lifetime Mortgage includes a guarantee which means that you should not have to repay more than the amount for which your Property is sold. This is called a No Negative Equity Guarantee; the terms are set out below.

- 6.1. The No Negative Equity Guarantee means that you will never have to repay more than the money received from the sale of the Property, so long as the Property is sold at the best price reasonably obtainable, subject to section 6.4 below.
- 6.2. If you want to sell the Property and use the money to repay your Lifetime Mortgage, you must tell us. We will write to you and tell you how much you owe.
- 6.3. If we believe the Property may be sold for less than the Total Amount You Owe (and any Early Repayment Charge if required by the terms of section 5), we will ask our Valuer to value the Property. You must pay the Valuer's fee for doing this.
 - a. If, when the Property is sold and after considering the Valuer's report, we believe that the selling price was the best price reasonably obtainable, but it is less than the Total Amount

You Owe (and any Early Repayment Charge if required by the terms of section 5), then we will accept the selling price in full and final settlement of your Lifetime Mortgage. We will not ask you to pay any more money to us and we will bear any loss ourselves. We will allow you to retain from the sale proceeds any reasonable costs that you incur directly in arranging the sale of the Property.

- b. If we sell the Property, as described in section 18, and the sale proceeds are not enough to repay the Total Amount You Owe (and any Early Repayment Charge if required by the terms of section 5) then (subject to section 6.4 below) we will not ask you to pay any more money to us and we will bear the loss ourselves.

6.4. The No Negative Equity Guarantee will not apply if you breach these Conditions, and this breach results in a Serious Default as described in section 18.3(a), (b) and (c). In these circumstances, following the sale of your Property, you will need to reimburse us for any shortfall occurring between the sale proceeds and the Total Amount You Owe (including any Early Repayment Charge, if applicable) to the extent to which we consider such shortfall is directly attributable to your breach.

Section 7: Inheritance Guarantee

The purpose of the Inheritance Guarantee is to make sure that where the Property is sold because you have died or have left the Property because you need Long-Term Care, you or the people entitled to the Property on your death are left with some money. The terms of the Inheritance Guarantee are set out below.

- 7.1. This section only applies if you have chosen the Inheritance Guarantee.
- 7.2. Section 6 of your Lifetime Mortgage Offer shows the Protected Amount you have chosen.
- 7.3. You cannot add the Inheritance Guarantee after the Completion Date of your Lifetime Mortgage and you may not increase the Protected Amount after the Completion Date.
- 7.4. Where you may otherwise have to repay part of the Lifetime Mortgage because you are moving home under the terms of section 9.2, are selling part of the Property under the terms of section 10, are having someone move into the Property under the terms of section 12 or if you would like to apply for Additional Borrowing under section 14, you may choose to reduce the Protected Amount.
- 7.5. If you choose to reduce the Protected Amount under section 7.4 we may still require you to repay part of your Lifetime Mortgage. Whether, and the extent to which, this is the case will depend on whether the amount of the reduction in your Protected Amount covers the amount that we would otherwise have required you to repay.

- 7.6. If your Lifetime Mortgage becomes repayable for one of the reasons given in sections 4.1a or 4.1b and you want to sell the Property, you must tell us. We will write to you and tell you the Total Amount You Owe.
- 7.7. If we believe the selling price of the Property minus the Protected Amount may be less than the Total Amount You Owe, we will ask our Valuer to value the property. You must pay the Valuer's fee for doing this.
- 7.8. If, when the Property is sold and having considered the Valuer's report, we believe that the selling price was the best price reasonably obtainable, we will not ask you for any more than the selling price minus the Protected Amount.
- 7.9. Whether or not the selling price of the Property covers the Total Amount You Owe, provided the Property is sold for the best price reasonably obtainable you are entitled to keep the Protected Amount.
- 7.10. The Inheritance Guarantee will not apply if you repay your Lifetime Mortgage early as described in section 5, or your Lifetime Mortgage is repaid and you have been in Serious Default as described in section 18 at any point during the Term.

Section 8: Long-Term Care

- 8.1. If you decide to leave, or have left, the Property permanently because you need Long-Term Care (or, if you are joint borrowers, both of you or the survivor of you needs Long-Term Care), you must tell us.
- 8.2. We will speak with you and assess your situation alongside our Long-Term Care criteria.
- 8.3. We may ask for further information or evidence that we reasonably require to aid our assessment. This further evidence may, where we consider it necessary, include a health assessment being performed by a doctor or other qualified healthcare professional (as appropriate) to identify whether you have Dementia or are unable to perform two or more ADLs. You must provide the requested further information or evidence to us so long as our request is reasonable.
- 8.4. If this assessment confirms to our satisfaction that you have Dementia and/or are unable to perform two or more ADLs, we will treat you as needing Long-Term Care.
- 8.5. If we are satisfied that the reason the sole borrower or the second of two joint borrowers is leaving the Property is because they need Long-Term Care, an Early Repayment Charge will not apply when the Lifetime Mortgage is repaid.
- 8.6. You will never be forced to leave the Property just because you need Long-Term Care. For example, if you can arrange for your Long-Term Care to be provided at the Property, you do not need to leave the Property nor repay your Lifetime Mortgage. However, as provided in section 5.5c and 5.5d, you will not have to pay an Early Repayment Charge if, in circumstances where we determine you require Long-Term Care in accordance with section 8, you do decide to repay the Lifetime Mortgage and remain in the Property to receive Long-Term Care.

Section 9: Moving home

- 9.1. If you want to move home, but do not want to apply to transfer your Lifetime Mortgage to your New Home because you intend to repay it, you must tell us. We'll require you to repay your Lifetime Mortgage in full, the amount of which will include the Total Amount You Owe including any Early Repayment Charge.
- 9.2. If you want to move home, and you want to transfer your Lifetime Mortgage to your New Home, you must first tell us, make an application to transfer, and pay an Application Fee. You and your solicitor must provide us with such information and documentation that we may reasonably require in relation to the sale of the Property and purchase of the New Home; this will include the provision of relevant information at the outset of the transaction and confirmation your solicitor will provide information evidencing exchange of contracts and completion when required. You must comply with these requirements before you enter into any contract to sell the Property or buy a New Home.
 - a. To decide whether or not you can move your Lifetime Mortgage to your New Home, we apply our Lending Criteria at the time of your application.
 - b. Our Valuer will inspect your New Home. We may also require our Valuer to inspect your Property; if we do, we will tell you. You will pay our Valuer's fees for carrying out the inspection (or inspections).
 - c. If your New Home meets our Lending Criteria and you have kept to the terms of your Lifetime Mortgage Offer and these Conditions, we will transfer your Lifetime Mortgage to your New Home. However, we may require a payment to be made to reduce the Total Amount You Owe. In order to calculate whether we require any such payments, we will compare the value of the Property with the value of your New Home and proceed as follows:
 - i. If the value of your New Home is lower than the value of the Property:
 - We are entitled to require you to repay part of your Lifetime Mortgage. Whether, and the extent to which, we require you to repay part of your Lifetime Mortgage will depend upon:
 - the Total Amount You Owe at that time,
 - the amount you would be entitled to borrow if you were applying for a new Lifetime Mortgage at that time,
 - whether the value of your New Home provides us with adequate security against your Lifetime Mortgage.

- You must give us a Legal Charge over your New Home and we will release the Property from the Lifetime Mortgage. You must pay our legal fees.
 - Any amount you have to repay will be applied proportionately to reduce the amount owing under each Lump Sum you have taken.
 - If you have chosen that your Lifetime Mortgage should include the Inheritance Guarantee, you may be able to reduce any amount that you have to repay by choosing instead to reduce your Protected Amount, as described in section 7.4.
- v. If the value of your New Home is higher than the value of the Property:
- You will not have to repay any part of your Lifetime Mortgage.
 - You must give us a Legal Charge over your New Home and we will release the Property from the Lifetime Mortgage. You must pay our legal fees.
- vi. You must complete the sale of your existing Property and the purchase of your New Home (or if you are not selling your existing Property, transfer your Lifetime Mortgage to the New Home) on the same day.
- vii. If you do have to repay part of your Lifetime Mortgage in the circumstances set out in this section 9.2 (c) you will not have to pay us an Early Repayment Charge.
- 9.3 If following assessment of your application, your New Home does not meet our Lending Criteria, we may not be able to transfer your Lifetime Mortgage to your New Home. If this is the case, and you still want to move home, we will require you to repay your Lifetime Mortgage in full.
- a. If you have held your Lifetime Mortgage for less than three years or have not kept to the terms of your Lifetime Mortgage Offer and these Conditions, an Early Repayment Charge will apply.
- b. If you have held your Lifetime Mortgage for three years or more and have kept to the terms of your Lifetime Mortgage Offer and these Conditions, an Early Repayment Charge will not apply, provided:
- i. You vacate your Property permanently and you own your New Home which is used as your main residence, and
 - ii. Your New Home is of fixed construction with its own registered title, is in good repair and habitable condition and is located in an area within which we are lending at the time.

- 9.4. Notwithstanding clauses 9.1 to 9.3 above, we will be unable to allow you to apply to transfer your Lifetime Mortgage to your New Home if we become Insolvent or are no longer authorised (by the Financial Conduct Authority or any successor authority) with permission to provide lifetime mortgages.

Section 10: Selling part of your Property

- 10.1. You must not sell, or enter into any contract for the sale of, any part of the Property, nor may you grant any rights or Encumbrances over any part of the Property, without first receiving our written consent.
- 10.2. Depending on the nature and size of the part of the Property you would like to sell, we may also need to arrange a valuation of the Property to determine the value of the Property without the part of the Property being sold. We will tell you if we require this, explaining our reasons why, and you must pay for the valuation of the Property which we will obtain from our Valuer.
- 10.3. If we give our consent, we can require you to repay part of your Lifetime Mortgage. Whether, and the extent to which we do this will depend upon:
- the Total Amount You Owe at that time,
 - the amount you would be entitled to borrow if you were applying for a new Lifetime Mortgage at that time, based on the value of your Property without the part you wish to sell,
 - whether the part of the Property you wish to sell will be subject to any proposed change of use
 - whether the value of the Property still provides us with adequate security against your Lifetime Mortgage.
- 10.4. If you have chosen that your Lifetime Mortgage should include the Inheritance Guarantee, you may be able to reduce any amount that you have to repay by choosing instead to reduce your Protected Amount, as described in section 7.4.
- 10.5. Any amount you may have to repay will be applied proportionately to reduce the Total Amount You Owe.
- 10.6. As explained in section 5.2, you will not have to pay us an Early Repayment Charge if you do have to repay part of your Lifetime Mortgage under this section 10.

Section 11: Someone moving out of the Property

If two of you are named as joint borrowers, but one of you no longer lives at the Property, you may wish to apply to transfer the Property to only one of you. If you are unsure of your position, we would suggest that you obtain independent legal and financial advice before taking any steps to transfer the Property.

- 11.1. If you are two joint borrowers and you wish to transfer the Property to only one of you because the other no longer lives at the Property, you must ask for our consent and you must pay an Application Fee.
- 11.2. As long as you have kept to the terms of your Lifetime Mortgage Offer and to these Conditions, we will release whichever of you has left the Property from your obligations to us.
- 11.3. The Legal Charge and these Conditions will remain in place for whichever of you remains at the Property (the “Remaining Borrower”). The Lifetime Mortgage will then be repayable on the death of the Remaining Borrower or when the Remaining Borrower leaves the Property because he or she needs Long-Term Care.
- 11.4. As long as you are both alive and living in the Property, you must remain joint owners of the Property. In these circumstances we will not give our consent to a transfer of the Property into the name of just one of you (for example, for tax reasons).

Section 12: Someone moving into the Property

You may wish for someone to move into the Property with you and become a joint borrower under your Lifetime Mortgage and for your Lifetime Mortgage to be repayable upon whichever of you leaves the Property last as a result of death or going into Long-Term Care.

It is important to understand that, if the other joint borrower is younger than you, you may need to repay part of your Lifetime Mortgage. This is because the amount you are entitled to borrow at the start of your Lifetime Mortgage depends not only on the value of the Property on the initial Completion Date, but also on the age of the initial borrower(s).

We will not charge you an Early Repayment Charge if you have to repay part of your Lifetime Mortgage in these circumstances. If you are unsure of your position, we would suggest that you obtain independent legal and financial advice before allowing someone else to become a joint borrower.

- 12.1. If you are the only owner of the Property but you wish for someone else to move into the Property (a “New Borrower”) and for your Lifetime Mortgage to become repayable upon the later of:
 - a. you moving out of the Property as a result of your death, or your needing Long-Term Care; and

- b. the New Borrower moving out of the Property as a result of their death, or needing Long-Term Care,
- then you must ask for our consent and you must pay an Application Fee. We may also require you to pay for a valuation of the Property.

- 12.2. We will give our permission for the New Borrower to move into the Property and we will treat you as joint borrowers if:

- a. you have kept to the terms of your Lifetime Mortgage Offer and these Conditions;
 - b. you and the New Borrower were both aged 55 or over on the date we advanced to you the Lump Sum;
 - c. you and the New Borrower both live at the Property;
 - d. you transfer the ownership of the Property into your joint names; and
 - e. you and the New Borrower both sign the documents required to put this arrangement into effect.

- 12.3. If the New Borrower is younger than you, we can require you to repay part of your Lifetime Mortgage. Whether, and the extent to which we do this will depend upon:

- the Total Amount You Owe at that time,
 - the amount you would be entitled to borrow if you were applying for a new Lifetime Mortgage at that time,
 - whether the value of your New Home provides us with adequate security against your Lifetime Mortgage.

- 12.4. Any amount you have to repay will be applied proportionately to reduce the Total Amount You Owe.

- 12.5. If you have chosen that your Lifetime Mortgage should include the Inheritance Guarantee, you may be able to reduce any amount that you have to repay by choosing instead to reduce your Protected Amount, as described in section 7.4.

- 12.6. As explained in section 5.2, you will not have to pay an Early Repayment Charge if you have to repay part of your Lifetime Mortgage under this section 12.

- 12.7. Except for in the circumstances detailed in section 13, if you would like someone to move into the Property but not become a joint owner and therefore not a New Borrower you don’t need to tell us. It is, however, your responsibility to ensure that any such person is aware that the Property is the subject of the Legal Charge, that the Property may need to be sold to repay the Lifetime Mortgage and that if this were to occur it would affect their ability to remain living in the Property.

Section 13: Letting a Self-contained Part of the Property

13.1. You are not permitted to let any part of the Property (including any Self-Contained Part of the Property) without our prior written consent.

13.2. We may agree to you letting a Self-Contained Part of the Property at the start of or during the Term if it does not adversely affect our rights and risks under the Lifetime Mortgage and we are satisfied that the following conditions are met:

- a. You must remain living in the Property (but not the Self-Contained Part of the Property) in accordance with section 15.1.
- b.
 - i. For properties in England the Self-Contained Part of the Property must only be let on an Assured Shorthold Tenancy Agreement; for properties in Wales the Self-Contained Part of the Property must only be let under the terms of an Occupation Contract; for properties in Northern Ireland, the Self-Contained Part of the Property must only be let under the terms of a Northern Ireland Tenancy Agreement. In every case, agreements must have a fixed term of six months in duration (or such other term as we require and permit in writing) terminable at the end of the term upon the giving of notice.
 - ii. For properties in Scotland, the Self-Contained Part of the Property must only be let on a Private Residential Tenancy.

The Assured Shorthold Tenancy Agreement, Occupation Contract, Northern Ireland Tenancy Agreement and Private Residential Tenancy detailed in this clause 13.2(b) will hereinafter be collectively referred to as the “Tenancy Agreement”.

The Tenancy Agreement must be on our approved terms and must contain suitable notice to the tenant in relation to the existence of the Lifetime Mortgage. Rent should be payable monthly in advance. Upon the expiry of the term if the tenancy is to continue you do not need to notify us, however a new Tenancy Agreement must be entered into upon the same terms as the original Tenancy Agreement; except in Wales where, if the tenancy is to continue after the initial six-month fixed term, a periodic tenancy must arise.

- c. The Tenancy Agreement must only relate to the Self-Contained Part of the Property and must be capable of allowing any tenant Exclusive Possession.
- d. Before the Tenancy Agreement is entered into and at any time it is varied or extended, our legal advisers may need to review the Tenancy

Agreement and any associated documents to ensure it is acceptable to us and you will need to pay for our reasonable costs for this.

- e. You do not need to inform us of any occupation of the Self-Contained Part of the Property if this is used as short-term holiday accommodation providing this is in accordance with the provisions of section 16.
- f. Section 18.1a provides you have 12 calendar months to repay the Lifetime Mortgage from the date it becomes payable under sections 4.1a or 4.1b. If you have a Tenancy Agreement in place at the time the Lifetime Mortgage becomes due for repayment, we expect you to make arrangements to ensure the Lifetime Mortgage is repaid either by the sale of the Property (with or without the tenant still in occupation) or by any other means before the expiration of the 12 calendar months. If we reasonably believe you have not taken the appropriate steps to ensure this happens and in our reasonable view, you are not going to repay the Lifetime Mortgage within this timescale, we may take all reasonable steps to ensure our Legal Charge is protected.
- g. You must also ensure that any tenant of the Self-Contained Part of the Property at the start of the Term signs a tenant’s deed of consent, provided by Aviva, and witnessed by an independent solicitor.

13.3. You must not allow anyone who is not the borrower named in the Lifetime Mortgage Offer to occupy any Self-Contained Part of the Property unless a Tenancy Agreement is entered into in accordance with the terms of section 13.2 or the occupation is in accordance with section 16.2

13.4. You must tell us if you create a Self-Contained Part of the Property during the Term.

13.5. Any breach of the above conditions will be considered a Default.

Section 14: Additional Borrowing

During the Term of your Lifetime Mortgage, you may wish to apply for an additional Lump Sum. This is called Additional Borrowing. Depending on your circumstances and the value of the Property, we may agree to give you Additional Borrowing although we do not guarantee that we will be able to do so. We can only accept an application for Additional Borrowing if you have received financial advice.

To decide whether or not your application for Additional Borrowing will be successful, we apply our Lending Criteria applicable at the time of your application.

Before an application for Additional Borrowing will be considered, certain conditions must be satisfied. These are set out below.

14.1. To be eligible to apply for Additional Borrowing, you must have kept to the terms of your Lifetime Mortgage Offer and these Conditions.

- 14.2. To apply for Additional Borrowing, you must complete the application with your Financial Adviser and pay an Application Fee. You must also pay for an updated valuation of the Property which we will obtain from our Valuer.
- 14.3. You and your Property must meet our Lending Criteria at the time of your application for Additional Borrowing. Our Lending Criteria may be different from those that applied at the time of your initial Lifetime Mortgage Offer.
- 14.4. The Interest Rate for each additional Lump Sum will be the rate that applies at the time the additional Lump Sum is taken.
- 14.5. We do not guarantee to give you Additional Borrowing.

Section 15: Things you must do during the plan Term

- 15.1. You must use the Property as your only or main residence. We will decide whether the Property is your main residence based on relevant factors including (but not limited to) whether you live there for more than six months within any twelve-month period, where you are registered to vote, where you mainly sleep and eat and where the majority of your belongings are kept.
- 15.2. If we completed your Lifetime Mortgage on the condition that you must have repairs or other works carried out at the Property, you must ensure that these repairs or other works are carried out within four months of the Completion Date. Your Lifetime Mortgage Offer shows the documents which you must provide to us to confirm that the works have been completed, or whether we will need to re-inspect the Property.
- 15.3. You must pay punctually any rent, service charges, utilities, outgoings and taxes payable for the Property until the Repayment Date.
- 15.4. You must keep the Property in good repair and condition. We do not expect you to maintain the Property to a standard which exceeds the state the Property is in at the Completion Date, unless we completed your Lifetime Mortgage Offer on the condition that you must carry out works as described in section 15.2. If this is the case we do not expect you to maintain the Property to a standard which exceeds the state the Property is in once we have confirmed we are satisfied that the works are complete.
- 15.5. You must keep the Property insured against loss or damage by (but not limited to) fire, subsidence, flood, escape of water and storm and such other risks as is usual for residential Property and in relation to this insurance:
 - a. At all times during the Term the sum insured must not be less than the reinstatement amount specified in the most recent valuation for the Property and must be index-linked, so that it is automatically increased annually to match house-price inflation.
- b. The insurance company must be a company approved by us. We will only refuse your choice of insurer where we have genuine concerns, such as but not limited to, the insurer's financial capability. Where we have concerns we will inform you.
- c. We have the right to require our interest in the Property to be noted on the policy. If we do, we will tell you.
- d. You must not do anything to invalidate the insurance. You must provide us with details of your buildings insurance if we request them at any time during the Term of your Lifetime Mortgage.
- e. Any money which you receive for loss or damage to the Property under an insurance policy will be held by you on trust for us and must be used to make good the loss and damage unless we decide that this is not practical. In this instance, the money will be used to reduce or pay off the Total Amount You Owe. We remind you that in making any such decision we must act in a way that is consistent with our promise to you under section 1.2.
- 15.6. You must comply with all Town and Country Planning requirements and any other legislation affecting the Property.
- 15.7. You must tell us immediately if you receive any notice relating to Town and Country Planning matters or any other notice, order or proposal which reasonably affects the Property or a neighbouring property. If the notice, order or proposal reasonably requires you to do anything you must do it. We may need to require you to assist us in objecting to or contesting the notice, order or proposal and if so we will inform you.
- 15.8. You must permit us (or anyone we may authorise) to inspect the Property at any reasonable time if we give you at least seven days' notice in advance.
- 15.9. You must tell us if you are in possession of any land or Property adjoining the Property before the Completion Date or if you acquire any land or property adjoining the Property during the Term. Depending on the circumstances and the nature of your additional land or property, we may require a Legal Charge on this land. We will explain to you if this is the case, and our reasons for requiring the Legal Charge. In a situation where you acquire any land or property adjoining the Property during the Term you must sign a suitable deed which we will provide to provide us with a Legal Charge over this land.
- 15.10. If the Property is leasehold, you must tell us if you buy the landlord's interest or a share of that interest. Depending on the circumstances and nature of the interest you buy, we may require a Legal Charge on the interest or an assignment of the share as additional security for your Lifetime Mortgage. We will explain

to you if this is the case, and our reasons for requiring the additional security. You must sign a suitable deed which we will provide for this purpose.

- 15.11. If there is a maintenance company to look after any part of the Property and you own one or more shares in the company, you must give to us a charge on the shares. When the Property is sold, these shares will be transferred to the purchaser.
- 15.12. If the details of the Property held at the Land Registry (including the lease if the Property is leasehold) show that there are:
- any limits on your freedom to do anything with the Property; or
 - any limits on your freedom to do anything to the Property; or
 - any other limits on your ownership of the Property, then
 - you must do all things which those details show that you are required to do; and
 - you must not do anything which those details show that you are prohibited from doing.
- 15.13. You must use the Property only as a private dwelling house for occupation by you and members of your immediate family (save for the exceptions provided in section 13 and section 16). If you would like someone to move into the Property you must comply with the conditions in section 12 and 13.

Section 16: Use of the Property for commercial activity

- 16.1. You may use part of the Property for a small amount of commercial use providing the following conditions are met:
- The commercial activity is personal to you and does not relate to, take place on, or extend beyond more than 50% of the Property;
 - At the time the Lifetime Mortgage is entered into, the extent of any commercial activity does not cause the Lifetime Mortgage to be outside the definition of a Regulated Mortgage Contract;
 - During the Term, the Property must always remain within the dwelling houses C3 use class under the Town and Country Planning (Use Classes) Order 1987 (or equivalent). Any commercial activity which requires a change to the Property's planning use is not permissible;
 - You must ensure the Property remains capable of resale as a wholly residential dwelling; and
 - You must not allow the creation of any rights or Encumbrances or allow the use of the Property by a third party, without first receiving our written consent. If the commercial activity involves the creation of any third-party rights or use of the Property by a third party, (and we agree to the creation of these rights or to the use

of the Property in this way) we may require that you enter into an agreement with any relevant third party to formalise this arrangement, and that this agreement must provide that the third party's rights will be extinguished on or before the Repayment Date.

Providing the above conditions are satisfied, we do not require you to inform us of any commercial activity relating to or undertaken in connection with the Property.

- 16.2. You may only use a Self-Contained Part of the Property for the purposes of providing short-term holiday accommodation providing the below conditions are satisfied:
- any holiday letting does not exceed 30 days at a time (and cannot be successive);
 - any letting does not grant the occupier Exclusive Possession; and
 - by letting any part of the Property be used in this way, you do not contravene section 15.6, 16.1 and 17.7 or any other provision within these Conditions.

We do not require you to inform us if you use any part of the Property for short-term holiday accommodation purposes providing the above conditions are satisfied and the holiday letting does not extend beyond more than 50% of the Property as detailed in section 16.1(a).

- 16.3. If, acting reasonably, we determine you are in breach of the provisions of this section, you will be in Default under section 18.

Section 17: Things you must not do during the plan Term

- 17.1. You must not create or allow the creation of any other mortgages or any other Encumbrance on the Property.
- 17.2. You must not sell the Property unless you repay the Total Amount You Owe (and any Early Repayment Charge if required by the terms of section 5) or you move home under the terms of section 9.
- 17.3. You must not sell any part of the Property without our written consent as explained in section 10.
- 17.4. You must not create any lease or tenancy of the Property, or any part of the Property (save for the exception to this provided in section 13).
- 17.5. You must not carry out any structural alterations, additions or apply any non-decorative treatments (for the avoidance of doubt the term "non-decorative treatments" includes insulative and spray foam treatments applied to walls or roof cavity) to the structural elements of the Property or change its use without our consent and all other necessary consents such as but not limited to planning permission and building regulations approval.

- 17.6. You must not leave the Property for a continuous period of six calendar months or more without our consent. We will give consent provided we are satisfied that the Property will be adequately insured and looked after whilst you are away, that we are able to contact you should we need to and that you will return to the Property within a reasonable and defined period of time.
- 17.7. You must not do anything to or with the Property to warrant a change of use under the Town and Country Planning (Use Classes) Order 1987 (or equivalent).
- c. would, were the circumstance to have existed prior to our agreeing to offer you a Lifetime Mortgage, have led us to either refuse your application for a Lifetime Mortgage or to grant the application, but on different terms; and/or
- d. otherwise significantly increases the risks we face in continuing with the Lifetime Mortgage, then the Default will constitute a “Serious Default”.
- 18.4. If you are in Serious Default of these Conditions, then we will have the following rights:

Section 18: Default

This section explains what a Default is, what a Serious Default is, and what will happen in the event of each, including what our rights are if there is a Serious Default. We remind you that any action we take under this section must be consistent with our promise to you under section 1.2.

- 18.1. A “Default” will arise:
 - a. if your Lifetime Mortgage has not been repaid within 12 calendar months of the date it became payable under sections 4.1a or 4.1b;
 - b. if you do not comply with the terms of section 13;
 - c. if you do not do something which you have agreed to do under section 15;
 - d. if you do something which you have agreed not to do under section 17;
 - e. if you do not comply with the terms of section 16;
 - f. if you leave the Property for a continuous period of six calendar months without our agreement and without needing Long-Term Care;
 - g. if you become bankrupt, or if you enter into a composition or other arrangement with creditors;
 - h. if a Receiver is appointed over your Property;
 - i. if a Compulsory Purchase Order is made for your Property; or
 - j. if you provide false or inaccurate information, even if you did not intend to do so, as described in section 20.1.
- 18.2. If you are in Default then we will have the right, but are not obliged, to take such action as we consider appropriate to try to correct your Default. You will have to reimburse our reasonable costs for any action we take in accordance with section 19.1.
- 18.3. If we consider that any Default:
 - a. has or may have a significant negative effect on the value of the Property; and/or
 - b. puts our Legal Charge at significant risk and/or has a significant negative effect on saleability of the Property; and/or
 - c. we have the right to do whatever it is that you have not done (but we are not obliged to do so); and/or
 - b. we will be entitled to immediate repayment of your Lifetime Mortgage; and/or
 - c. we will have the right to sell the Property and use the sale proceeds to repay your Lifetime Mortgage.
- 18.5. We will only exercise these rights where we have, or we have reasonably attempted to have, given you written notice of our intention to do so.
- 18.6. Where you are in Serious Default, our right to sell the Property will continue even if you, or we, take action that results in the issue causing the Serious Default being resolved. We require this right because, while the issue may become resolved, we may already have taken significant steps to arrange a sale of the Property.
- 18.7. If we sell the Property, we will deduct the Total Amount You Owe (including our selling costs and our expenses) from the sale proceeds. If you are alive when we do this and you don’t need Long-Term Care, we will also deduct any Early Repayment Charge due under the terms of section 5. We will pay any remaining surplus to you. If the sale proceeds are not enough to repay the Total Amount You Owe (and any Early Repayment Charge if required by the terms of section 5), we will bear the loss ourselves, as described in section 6.
- 18.8. We remind you that any action we take in circumstances where you are in Default, or Serious Default, must be consistent with our promise to you under section 1.2.

Section 19: Our rights

We reserve the right to exercise certain rights arising out of your Lifetime Mortgage. These rights are:

- 19.1 If we reasonably incur any costs or expenses and/or spend any money:
 - a. because you have not done something which you agreed to do under section 15; or
 - b. because you have done something you agreed not to do under section 17; or

- c. because you have asked for our approval or permission where required under these Conditions;
- d. because we have had to appoint a Receiver under the terms of section 19.4; or
- e. because you have contravened the conditions in section 13 and section 16,

you must reimburse us. Until you reimburse us, we may treat any such costs and expenses as part of your Lifetime Mortgage. We will charge interest on those costs and expenses from the date we incur the costs or expenses, but any such interest that we charge will not itself be subject to interest. The Interest Rate that we will apply will be no higher than the rate that we would offer to you if we were to provide you with Additional Borrowing (as described in Section 14).

19.2. We may sell our rights and interest under your Lifetime Mortgage, these Conditions and the Legal Charge to another company or person, for example to raise money to make lifetime mortgages available to future borrowers. If we do so your rights and obligations will be unaffected. The other company or person will have the same rights and obligations as we have.

19.3. We will review the costs and charges in the Tariff of Charges from time to time. These charges reflect our reasonable underlying costs of providing the administrative services listed. If we need to increase or decrease any of them we will only do so in a proportionate manner to reflect changes in our costs of providing the administrative services. We will give you 30 days' notice of any such change to the Tariff of Charges.

19.4. We have the right to appoint a Receiver. We are entitled to give to any Receiver we appoint any powers and authorities which we think are necessary or appropriate. If we do this, we will not be regarded as a mortgagee in possession of the Property. In relation to any such Receiver:

- a. Any Receiver we appoint will be regarded as your agent and you will be responsible for all of his/her actions and omissions.
- b. We will fix the cost of any Receiver we appoint.
- c. If we appoint a Receiver, we will put in place any indemnity insurance reasonably required by the Receiver in connection with his/her appointment.
- d. You must reimburse us for the reasonable costs of the Receiver and for the cost of the indemnity insurance.
- e. At any time after taking possession of the Property or appointing a Receiver, we may give up possession or cancel the Receiver's appointment. If we decide to do this, we will tell you as soon as possible.

19.5. If you leave the Property for more than six consecutive calendar months and we or a Receiver take(s) possession of it, we or the Receiver may remove any personal belongings which you leave behind. We may sell those belongings or store them on your behalf. We will take reasonable steps to ensure any money which we or the Receiver receive(s) from the sale of the belongings will be paid to you and will not be used to repay the Lifetime Mortgage.

19.6. You appoint us and any Receiver appointed by us to be your attorney in your name and on your behalf to sign any deed or other document necessary:

- a. to sell or to grant a lease of the Property; or
- b. to sell any of your belongings or other assets referred to in section 19.5;
- c. to sell any shares you have charged to us under section 15.10 or 15.11.
- d. to terminate or vary any Tenancy Agreement or any other agreement entered into by you in relation to the Property.

Section 20: Standard terms

It is important that you give us accurate and up-to-date information. This section sets out what you are required to tell us.

This section also sets out the nature of your obligations if you are joint borrowers.

20.1. Information supplied by you:

- a. We prepared the Lifetime Mortgage Offer from the information you provided to us when you applied for your Lifetime Mortgage.
- b. If you learn of any change to the facts you disclosed to us when you applied for your Lifetime Mortgage before the Completion Date, you must tell us immediately. We will consider whether that information, had it been known by us originally, would have led to our decision to offer you a Lifetime Mortgage being different. If so, we have the right to modify or cancel the Lifetime Mortgage Offer accordingly but, if we do so, we will explain why. If we modify the Lifetime Mortgage Offer then if you wish, you may refuse to accept, or cancel, the relevant application.
- c. After the Completion Date, if we discover that you have given false or inaccurate information, even if you did not intend to do so, and had this information been known by us originally, would have led to our decision to offer you a Lifetime Mortgage being different, we may require you to repay part or all of your Lifetime Mortgage (including any appropriate Early Repayment Charge).

20.2. Joint borrowers:

If there are two of you and you are joint borrowers, your obligations to us are Joint and Several. This means:

- a. both of you together are responsible for all your obligations under your Lifetime Mortgage Offer and these Conditions; and
- b. each of you separately is responsible for all those obligations.

Section 21: Living in Scotland or Northern Ireland

If your Property is in Scotland or Northern Ireland, this section will apply.

21.1 If the Property is in Scotland:

- a. in section 18.1 in the definition of Default and in sections 19.1, 19.4, 19.5, and 19.6 the references to a Receiver do not apply; and
- b. other references in these Conditions to any word, expression or practice under English law are references to the equivalent or nearest equivalent word, expression or practice under Scottish law.

21.2 If the Property is in Northern Ireland:

- a. the legal date for redemption under the Legal Charge for the purpose of section 21 of the Conveyancing and Law of Property Act 1881 is the first occurring date specified in section 4; and
- b. other references in these Conditions to any word, expression or practice under English law are references to the equivalent, or nearest word, expression or practice under the law of Northern Ireland.

Section 22: Governing law

If the Property is in:

- a. England or Wales, your Lifetime Mortgage is governed by the laws of England and Wales; or
- b. Scotland, your Lifetime Mortgage is governed by the laws of Scotland; or
- c. Northern Ireland, your Lifetime Mortgage is governed by the laws of Northern Ireland.

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