

# Flexible Standard Security Scotland

In this Standard Security:

THE BORROWER	Means  Where there is more than one person who is the Borrower, you all jointly and each of you individually undertake the obligations of the Borrower.
THE CONSENTOR (if any, being the Borrower's non-entitled Spouse or the Borrower's Civil Partner under the Civil Partnership Act 2004)	Means
THE LOAN	Means £
THE PROPERTY	Means the property known as  more fully described below
THE LENDER	Bank of Ireland (UK) plc, registered in England and Wales with registered number 07022885, of Bank of Ireland UK, PO Box 3191, One Temple Quay, Bristol BS1 9HY (and including its successors and any transferee(s)).
THE MORTGAGE CONDITIONS	The Residential Mortgage Conditions 2018 Edition One (Scotland) Bank of Ireland UK made by the Lender dated 16th and registered in the Books of Council and Session on 20th both days of February 2018.

THE FLEX TERMS AND CONDITIONS means the following terms and conditions:

## 1 Meanings

### 1.1 In these Flex Terms and Conditions:

<i>amount owed</i>	has the meaning given in the Mortgage Conditions;
<i>capital repayment balance</i>	means the <i>amount owed</i> less any <i>interest only balance</i> ;
<i>drawdown</i>	means a further borrowing from <i>us</i> under clause 7;
<i>interest</i>	means <i>interest</i> at the rate or rates <i>you</i> are obliged to pay <i>us</i> under the <i>offer</i> or any later agreement as described in clause 2.2.1 and which is calculated in accordance with the Mortgage Conditions;
<i>interest only balance</i>	means any part of the <i>amount owed</i> which represents a loan which is repayable at the end of the <i>mortgage period</i> and on which <i>you</i> have agreed to pay monthly instalments consisting only of <i>interest</i> in the meantime;
<i>maximum borrowing limit</i>	means the maximum amount of debt which <i>you</i> are allowed to owe <i>us</i> under the terms of this Standard Security, being either:  (i) the amount shown as the <i>maximum borrowing limit</i> in the <i>offer</i> ; or  (ii) any increased or reduced amount which is specified as the <i>maximum borrowing limit</i> in any notice <i>we</i> give <i>you</i> under clause 10.1.

<i>monthly payment</i>	means the amount described as the <i>monthly payment</i> in the <i>offer</i> , and any changed amount which applies from time to time;
<i>mortgage period</i>	has the meaning given in the Mortgage Conditions;
<i>offer</i>	has the meaning given in the Mortgage Conditions;
<i>one-off payment</i>	means any payment which <i>you</i> make to <i>us</i> in any month other than the <i>monthly payment</i> which is due by Direct Debit for that month;
<i>overpayment</i>	means: <ul style="list-style-type: none"> <li>(i) any <i>one-off payment</i>; and</li> <li>(ii) any <i>regular overpayment</i>;</li> </ul>
<i>password</i>	means the secret words, numbers or other data which <i>we</i> agree that <i>you</i> will use to identify yourself when ringing <i>our</i> Flex Helpdesk number;
<i>registered address</i>	means <i>your</i> latest address, as noted in <i>our</i> records;
<i>regular overpayment</i>	means any amount by which <i>you</i> ask <i>us</i> to increase <i>your monthly payment</i> under clause 6.4;
<i>underpayment</i>	means an amount which is less than the <i>monthly payment</i> ;
<i>we/us/our</i>	means the Bank of Ireland (UK) plc and its successors and any transferee(s) including, but not limited to, a transferee as defined in 20(a) of the Mortgage Conditions;
<i>you/your</i>	means the applicants named as the Borrower in this Standard Security and their transferees and successors (in the case of joint applicants it means either or all of them).

1.2 Words printed in italics have the meanings stated in clause 1.1.

1.3 References to clauses are to clauses in these Flex Terms and Conditions.

1.4 In the event of any conflict between these Flex Terms and Conditions and the *offer*, these Flex Terms and Conditions shall prevail.

## 2. **About this Agreement**

2.1 *You* must pay *us* the *amount owed* in accordance with the Mortgage Conditions, as varied by these Flex Terms and Conditions. *You* must pay the *monthly payment* in every month (except where *we* have agreed under clause 6.5 that *you* may suspend the *monthly payment*, or *we* have agreed under clause 6.6 that *you* may make an *underpayment*, in a particular month). The *monthly payment* must be paid by Direct Debit on the payment date as defined in the Mortgage Conditions.

2.2 So long as the Flex Terms and Conditions apply then –

2.2.1 The *interest* rate chargeable will be specified in the *offer* or, if *we* decide to *offer you* different rate terms and conditions later on which *you* accept in writing, those *interest* rate terms and conditions shall apply.

2.2.2 *interest* will accrue on a daily basis and will be charged on the *amount owed* at the end of every month.

## 3. **How long do these Flex Terms and Conditions apply?**

3.1 These Flex Terms and Conditions will apply until the end of the *mortgage period* or until they cease to apply under any of clauses 3.2 to 3.4.

3.2 These Flex Terms and Conditions will cease to apply if one of the following events has occurred and *we* give *you* notice that they are to cease to apply –

3.2.1 *you* cancel any Direct Debit by which *monthly payments* are to be made to *us* without promptly replacing it with a new Direct Debit;

3.2.2 any Direct Debit by which *monthly payments* are to be made to *us* becomes ineffective for any other reason and is not promptly replaced by a new Direct Debit;

3.2.3 the *monthly payment* due to *us* in any month has not been received by *us* within twenty-eight days of the date on which *we* should have received it;

3.2.4 a bankruptcy order is made against *you*;

3.2.5 *you* make a voluntary arrangement with *your* creditors;

3.2.6 *you* die;

3.2.7 (where there is more than one of *you*) any of the events described in sub-clauses 3.2.4 to 3.2.6 happens to any one of *you*;

3.2.8 *you* break any of the terms of this Standard Security (including the Flex Terms and Conditions), the Mortgage Conditions or the *offer* and *we* reasonably think that *we* are exposed to the risk of loss, or would be if these Flex Terms and Conditions continued to apply;

3.2.9 *you* break any of the terms of any other Standard Security *you* have with *us* (including any Flex Terms and Conditions) and/or any mortgage conditions incorporated into that Standard Security;

3.2.10 the *amount owed* has become immediately payable under condition 15 of the Mortgage Conditions.

3.3 These Flex Terms and Conditions will also cease to apply if *you* and *we* agree that they are to cease to apply.

3.4 These Flex Terms and Conditions will also cease to apply if *we* make this a condition of giving *our* agreement to the exercise of any power or discretion which *we* have (whether under this Standard Security, the Mortgage Conditions, the *offer* or otherwise), for example if one of two joint borrowers asks to be released from their obligations to *us*.

#### **4. Interest only balances**

The following terms apply where the whole or any part of the *amount owed* is an *interest only balance*:

- 4.1 If we agree, *you* may suspend that part of the *monthly payment* which relates to the *interest only balance* under clause 6.5 or *you* may make an *underpayment* which relates to the *interest only balance* under clause 6.6. If *you* do this, the relevant part of the *monthly payment* will be added to the *capital repayment balance* under clause 6.7.
- 4.2 Any *drawdown* which *you* make can be added to the *capital repayment balance* or *interest only balance* at *our* discretion but *we* will exercise that discretion reasonably.
- 4.3 Before any *drawdown* is added to the *interest only balance*, *we* may require *you* to supply *us* with documentary evidence confirming to *our* reasonable satisfaction that *you* have adequate means of repaying the *amount owed*.

#### **5. Overpayments and one-off payments**

5.1 The following terms apply whenever *you* make an *overpayment*:

- 5.1.1 The *overpayment* will first be applied in clearing any arrears.
- 5.1.2 *We* will treat the amount (if any) which is left over after any arrears have been cleared as an early repayment of the *amount owed*. *We* will stop charging *interest* on the amount repaid from the day after *we* receive a *one-off payment* or from the first day of the month following that in which a *regular overpayment* is made.
- 5.1.3 The amount available for *drawdown* will be increased to match the difference between:
  - the *amount owed* (as reduced by the *overpayment*); and
  - the *maximum borrowing limit*.
- 5.1.4 If the *overpayment* is sufficient to repay the *amount owed* in full, *you* will have to pay an administration fee to cover the expenses which *we* reasonably incur in discharging the Standard Security together with any sum payable on early repayment under a condition in the *offer* or in any later agreement between *you* and *us*. Under condition 14(c) of the Mortgage Conditions *we* have the right to vary *our* administration fees from time to time (including the fee specified in this clause 5.1.4).

5.2 If *you* make an overpayment which takes the form of a one-off payment, *we* will notify *you* of a new monthly payment and/or (if *you* have asked *us* under clause 6) a new mortgage period within twenty-eight days of receiving the overpayment.

#### **6. Your monthly payments and the mortgage period**

6.1 If *you* ask *us*, *we* will shorten the *mortgage period*. After *we* have shortened the *mortgage period*, *we* will lengthen it if *you* ask, provided that it is no longer than the *mortgage period* set out in the *offer*.

6.2 If *we* change the *mortgage period*, *we* will notify *you* of a new *monthly payment* within twenty-eight days.

6.3 *Your monthly payment* will be calculated:

- 6.3.1 to pay the *interest* which accrues on any *interest only balance* in each month; and
  - 6.3.2 if any *capital repayment balance* exists, to pay off the full amount of the *capital repayment balance* (both capital and *interest*) by the end of the *mortgage period*.
- 6.4 If *you* ask *us*, *we* will increase the *monthly payment* to include a *regular overpayment*. After *we* have increased the *monthly payment*, *we* will reduce it if *you* ask, but not below the amount which is needed –
- 6.4.1 to pay the *interest* which accrues on any *interest only balance* in each month; and
  - 6.4.2 if any *capital repayment balance* exists, to pay off the full amount of the *capital repayment balance* (both capital and *interest*) by the end of the *mortgage period* set out in the *offer*.

If *we* change the *monthly payment* at *your* request, *we* will notify *you* of any change to the *mortgage period* within twenty-eight days.

6.5 If the *amount owed* is less than the *maximum borrowing limit* then, if *you* ask *us* between the 1<sup>st</sup> and 15<sup>th</sup> of any month, *we* may agree that *you* may suspend the *monthly payment* which is due to *us* in the next month. If *you* change *your* mind, *you* must tell *us* by the last business day of the month that *you* do not wish to suspend *your monthly payment* due in the next month.

6.6 *Underpayments* are permitted with *our* prior agreement, provided the *amount owed* is less than the *maximum borrowing limit*.

6.7 If *we* agree under clause 6.5 that *you* may suspend the *monthly payment* which is due in any month, or that *you* may make an *underpayment* in accordance with clause 6.6, so much of the *monthly payment* as consists of *interest* (or in the case of an *underpayment*, so much of the *monthly payment* as consists of *interest* less the *underpayment* made) will be debited to *your* account on the day on which the full *monthly payment* would otherwise have been payable. *We* may charge *interest* on the *interest* so debited as if *you* had made a *drawdown* of an equivalent amount.

6.8 If *we* agree under clause 6.5 that *you* may suspend the *monthly payment* which is due in any month or that *you* may make an *underpayment* in accordance with clause 6.6, *we* will set the *monthly payment* to maintain the *mortgage period* as set out in the *offer*.

## **7. Drawdowns**

- 7.1 You may make a *drawdown* at any time, provided that none of the following applies:
- 7.1.1. we do not have a Flexible Standard Security validly signed by *you* and capable of being enforced;
  - 7.1.2. *you* are in arrears with any payments due on any other mortgage with *us*;
  - 7.1.3. *you* have a standard security over the property with another lender who does not postpone its rights if *we* ask so that in relation to the *drawdown* those rights rank behind ours;
  - 7.1.4. in the case of joint borrowers, at least one of *you* is not in agreement for the *drawdown* to be made and *we* have been informed of this;
  - 7.1.5. the amount owed has become immediately payable under condition 15 of the Mortgage Conditions;
  - 7.1.6. *you* do not in our reasonable opinion have the ability to repay the *drawdown*;
  - 7.1.7. we are prevented by any law or regulation or by any decision or requirement of any of *our* regulators from funding the *drawdown*.
- 7.2 A *drawdown* must not increase the *amount* owed to more than the *maximum borrowing limit*.
- 7.3 A *drawdown* will be made by way of a further loan on the security of this Standard Security and become part of the *amount owed*.
- 7.4 A *drawdown* cannot be made where any Retention Amount as shown in *your offer* has not been released by *us*.
- 7.5 Unless we expect difficulties with the electronic payment system, we will make an electronic transfer of the *drawdown* to the bank account from which *monthly payments* are made or any other authorised bank account *you* have set up with *us* to transfer the *drawdown* to. We will charge *interest* on the amount of the *drawdown* from the date of the electronic transfer in accordance with the Mortgage Conditions.
- 7.6 If we expect difficulties with the electronic payment system, we will send a cheque for the *drawdown* to your *registered address* by first class post. The cheque will be payable to *you* (or, in the case of joint borrowers, to all joint borrowers). We will charge *interest* on the amount of the *drawdown* from the day after the date of *our* cheque in accordance with the Mortgage Conditions.
- 7.7 Whenever *you* make a *drawdown*, we will notify *you* within twenty-eight days of the new *monthly payment* and of any change to the *mortgage period* under clause 6.1.

## **8. Operation of your account**

- 8.1 You may obtain information about *your* Flex Account by ringing *our* Flex Helpdesk number during *our* normal business hours.
- 8.2 You may request a *drawdown* by post or by ringing *our* Flex Helpdesk number. *Our* Flex Helpdesk number will only be able to process a request for a *drawdown* if the requirements of clause 8.3 are met.
- 8.3 You can make the transactions listed in clause 8.4 by ringing *our* Flex Helpdesk number provided that:
- 8.3.1. *you* have previously agreed a *password* with *us*;
  - 8.3.2. *you* give *us* your *password* and any other evidence of identity which we reasonably request when *you* ring *our* Flex Helpdesk number; and
  - 8.3.3. *you* have not already made a call to *our* Flex Helpdesk number and agreed any of these transactions earlier in the same working day.
- 8.4 The transactions which *you* can make by ringing *our* Flex Helpdesk number are as follows:
- 8.4.1. making a *one-off payment* under clause 5;
  - 8.4.2. changing *your mortgage period* or increasing, reducing or suspending *your monthly payment* under clause 6; and
  - 8.4.3. making a *drawdown* under clause 7.
- 8.5 You must not disclose *your password* to anyone else (including *our* employees other than those manning the Flex Helpdesk number). If *you* have any reason to think that someone else knows *your password*, *you* must tell *us* immediately.
- 8.6 IN THE CASE OF JOINT BORROWERS, ANY ONE BORROWER WILL HAVE THE AUTHORITY OF OTHER(S) TO:
- 8.6.1. obtain information about *your* account;
  - 8.6.2. make payments to *us* (including a *one-off payment*);
  - 8.6.3. request a change to *your mortgage period*, or the increase, reduction or suspension of *your monthly payments*;
  - 8.6.4. REQUEST A *DRAWDOWN* AND FOR THE *DRAWDOWN* TO BE TRANSFERRED BY *US* TO THE BANK ACCOUNT FROM WHICH THE *MONTHLY PAYMENTS* ARE MADE OR ANY AUTHORISED BANK ACCOUNT *YOU* HAVE SET UP WITH *US* AND INSTRUCTED *US* TO TRANSFER THE *DRAWDOWN* TO, IN ACCORDANCE WITH CLAUSE 7.5 ABOVE. THIS MEANS THAT IF THE BANK ACCOUNT IS IN THE NAME OF ONE JOINT BORROWER ONLY, ALL JOINT BORROWERS WILL BE JOINTLY AND SEPARATELY RESPONSIBLE FOR REPAYING THE *DRAWDOWN* IN ACCORDANCE WITH THESE FLEX TERMS AND CONDITIONS AND THE *MORTGAGE CONDITIONS*.
- 8.7 For the purpose of ensuring a good standard of service to *our* customers, *we* may record or listen in to any telephone conversation between *you* and *us*.

**9. Your additional duties to us**

- 9.1 In addition to the duties set out in the *Mortgage Conditions*, you undertake the following additional duties to us to enable us to provide Flex to you.
- 9.2 You will tell us of any material change to your financial position and, in particular –
- 9.2.1 if you lose your job or move to another employer;
  - 9.2.2 if you experience any financial problems so that you have difficulty in paying bills when they become due;
  - 9.2.3 if anybody who you owe money to issues court proceedings or obtains a court judgment against you;
  - 9.2.4 if anybody applies for a bankruptcy order against you or if you apply for a voluntary arrangement with your creditors.
- 9.3 You will not request a *drawdown*, or ask for your *monthly payment* to be suspended or reduced, or for your mortgage period to be increased unless you have first of all told us of any material change to your financial position, as set out above.
- 9.4 If the *amount owed* comes to exceed the *maximum borrowing limit* at any time, we may give you notice to pay off the excess immediately.

**10. Changes to the maximum borrowing limit**

- 10.1 We may increase or reduce the *maximum borrowing limit* at any time by giving you advance notice in writing.
- 10.2 We will not reduce the *maximum borrowing limit*;
- 10.2.1 to an amount which is less than the *amount owed* at the date when we give you notice of the reduction;
  - 10.2.2 unless we reasonably think that we are exposed to the risk of loss or would be if the *maximum borrowing limit* was not reduced.

**11. Changes to the Flex Terms and Conditions**

- 11.1 We can make changes to these Flex Terms and Conditions if it is reasonable to do so for one or more of the following reasons:
- 11.1.1 To reflect any future change(s) that we make to these Flex Terms and Conditions that we offer to new borrowers (provided that the changes make the Flex Terms and Conditions more favourable to you);
  - 11.1.2 To reflect changes in technology;
  - 11.1.3 To reflect improvements in the way we look after your mortgage account;
  - 11.1.4 To reflect a decision or recommendation made by, or a requirement of, a court, ombudsman or one of our regulators.
- 11.2 Before we make any change under this clause, we shall give you 30 days written notice. Nothing in this clause shall affect your rights under this Standard Security, the Mortgage Conditions, and (so long as these Flex Terms and Conditions apply) your ability:
- 11.2.1 to make *overpayments* and *one-off payments* under clause 5;
  - 11.2.2 to change or suspend the *monthly payment* and/or to change the *mortgage period* under clause 6;
  - 11.2.3 to make *drawdowns* under clause 7.

The Borrower undertakes to pay the Lender all sums due and that may become due to the Lender in respect of the Loan and any further loan made or about to be made by the Lender with interest from the date or dates of advance computed in accordance with the Mortgage Conditions and the Flex Terms and Conditions and also all other money which may be or become owing by the Borrower to the Lender except monies owing under an agreement which is regulated by the Consumer Credit Act 1974.

For which the Borrower with the consent of the Consentor for the purposes of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 as amended or the Civil Partnership Act 2004 as amended grants a Standard Security in favour of the Lender over the Property, being ALL and WHOLE.

The standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended and as varied and extended by the Mortgage Conditions and the Flex Terms and Conditions (receipt of a copy of which is hereby acknowledged by the Borrower) and any other lawful variation thereof operative for the time being shall apply.

The Borrower hereby irrevocably appoints the Lender as the attorney of the Borrower with full power to do all such acts in the name of the Borrower set out in the Mortgage Conditions as the Lender may deem necessary or appropriate in relation to the Property or in relation to any policy or plan which the Borrower may agree or have agreed with the Lender should provide a means of repayment of the sums due or to become due by the Borrower to the Lender in terms of this Standard Security but the Lender may exercise any such power only after calling up this Standard Security and entering into possession of the Property.

And the Borrower grants warrandice:

IN WITNESS WHEREOF these presents consisting of this and the five preceding pages, together with any annexed plan or schedule, are executed by the Borrower and (where applicable) the Consentor as follows:

Witness's  
signature

Borrower

Witness's full  
name

Borrower/Consentor

Witness's address

Place of signing (e.g. Glasgow)

Date of signing  
(e.g. 24 September 2009)

Witness's  
signature

Borrower

Witness's full  
name

Borrower/Consentor

Witness's address

Place of signing (e.g. Glasgow)

Date of signing  
(e.g. 24 September 2009)

Witness's  
signature

Borrower

Witness's full  
name

Borrower/Consentor

Witness's address

Place of signing (e.g. Glasgow)

Date of signing  
(e.g. 24 September 2009)

**MATRIMONIAL HOMES (FAMILY PROTECTION) (SCOTLAND) ACT 1981  
as amended and CIVIL PARTNERSHIP ACT 2004 as amended  
DECLARATION**

<b>Proprietor</b>	
<b>Property</b>	The Property described in the attached Standard Security
<b>Dealing</b>	Flexible Standard Security in favour of Bank of Ireland (UK) plc

I, the Proprietor of the Property do hereby declare as follows:

With reference to the Dealing the Property is not a Matrimonial Home in relation to which any spouse of mine has occupancy rights under the Matrimonial Homes (Family Protection) (Scotland) Act 1981 as amended, nor a family home in relation to which a civil partner of mine has occupancy rights under the Civil Partnership Act 2004 as amended.

Executed by the Proprietor at

On

before this witness

..... (witness)

..... (Proprietor)

..... (full name)

..... (address)

# DEED OF GUARANTEE

**Date:**

**I (the Guarantor):**

**Of:**

**You:** Bank of Ireland (UK) plc, registered in England and Wales with registered number 07022885 of Bank of Ireland UK, PO Box 3191, One Temple Quay, Bristol, BS1 9HY, including your successors and any transferee(s).

**The Borrower:** the person(s) named as the Borrower in the standard security.

**The Standard Security:** the foregoing standard security (including the Residential Mortgage Conditions which form part of it).

I agree to act as Guarantor of the Standard Security. I understand that this means that I agree to carry out the Borrower's duties under the Standard Security if you require me to do so and to make good any loss you may suffer if the Borrower does not carry out his duties. I accept all the terms in the Residential Mortgage Conditions which affect me (particularly condition 22).

## WARNING

By signing this deed the Guarantor may become liable instead of, or as well as, the Borrower. The Guarantor's liability will be limited to:

- the initial loan Bank of Ireland (UK) plc makes to the Borrower;
- any further loans Bank of Ireland (UK) plc makes to the Borrower with the Guarantor's written consent; and
- interest on each loan the Guarantor has guaranteed and costs as provided in the Residential Mortgage Conditions.

**The Guarantor should get independent legal advice before signing this deed.**

**SIGNED AS A DEED** by you in the presence of a Witness

Witness's signature, name and address

Guarantor's signature

(each signature should be witnessed separately)  
(Please complete in block capitals)

Place of signing

Place of signing

Place of signing