

Help to Buy: Equity Mortgage

Dated 06 May

20[22]

We hereby certify this to be a true copy of the original

Dated: 06 May 2022

Thackray Williams LLP
T-Bromley, 15-17 London Rd
Bromley, Kent, BR1 1DE

Parties:

- (1) **Homes and Communities Agency** (trading as Homes England) a body corporate under Section 1 of the Housing and Regeneration Act 2008, of One Friar Gate, Coventry CV1 2GN (**us**, the **Lender**); and
- (2) Olatubosun Favour Olawoyin
Adeola Oluseye Olawoyin

of plot 128, 70 Knights Templar Way, Strood, Rochester, ME2 2ZD (**you**, the **Borrower**)

1. Recitals

- 1.1 The Borrower intends to purchase the Property from the Seller.
- 1.2 Homes England agrees to make the Lender Contribution available to the Borrower on the terms of this Mortgage.
- 1.3 This Deed is to secure the repayment by the Borrower to the Lender of the Repayment Sum (as defined later in this Mortgage).

2. General

- 2.1 The Standard Terms and Conditions (at Schedule 1 to this Mortgage) are incorporated into and form part of this Mortgage. The Borrower must read the Standard Terms and Conditions prior to signing the Mortgage.
- 2.2 The definitions and principles of interpretation set out in the Standard Terms and Conditions shall apply in this Mortgage (including the schedules and Appendices to this Mortgage).

3. Description of this Help to Buy: Equity Mortgage

- 3.1 The Borrower has agreed to the Lender Contribution being paid by the Lender to the Seller of the Property (or its agent) in order to pay the Initial Proportion of the Full Purchase Price.
- 3.2 This Help to Buy: Equity Mortgage will be secured by a second legal charge over the Property:

| | |
|-----------------------------|--|
| Property | Plot: 128 Temple Wharf (Redrow) 70 Knights Templar Way, Strood, Rochester, ME2 2ZD |
| Title Number | To be allocated |
| Full Purchase Price | Means £437,600.00 being the full purchase price of the Property payable directly by the Borrower to the Seller (including the Lender Contribution offered pursuant to the Help To Buy Scheme) and which does not exceed and is not less than the Initial Market Value; |
| Initial Market Value | means the sum of £437,600.00 being the Market Value at the date of this Mortgage; |

3.3 The Lender will provide you with a Help to Buy: Equity Mortgage which is summarised below:

| Initial Proportion | Lender Contribution | Mortgage Term | Interest Rate | Interest Rate Description |
|---|---|--|-----------------|--|
| means 20% being the percentage of the Full Purchase Price which the Lender Contribution represents; | £87,520.00 being the amount paid by the Lender directly to the Seller or its agent (with the agreement of the Borrower) to enable the Borrower to pay the Reduced Purchase Price to the Seller; | 25 years subject to extension pursuant to Clause 21 to the Standard Terms and Conditions | 0% until year 6 | This mortgage will be at a fixed rate of 0% until the fifth anniversary of the date of this Mortgage. In year 6 the interest becomes payable and will be 1.75% per annum, subject to annual increases in accordance with Clause 10 to the Standard Terms and Conditions. |

4. Condition of Help to Buy Equity Mortgage Lending

The Borrower has signed a Declaration confirming that they are a First Time Buyer, and have also confirmed that they are:

- (a) purchasing a new build property not previously occupied,
- (b) providing a minimum 5% deposit towards the Full Purchase Price of the Property,
- (c) have in place a first charge mortgage in respect of the remaining Full Purchase Price amount due to the Seller once the Lender Contribution has been paid; and
- (d) that the Property is to be their main and only residence.

5. Overall cost and Repayment of this Help to Buy Equity Mortgage

- 5.1 You may repay this Mortgage in full or in part at any time, subject to certain conditions. You must repay the Mortgage on the occurrence of a redemption event as detailed in **Clause 5 of the Standard Terms and Conditions**
- 5.2 This is an equity mortgage which means that the amount that you will have to repay will be calculated based on the Initial Proportion (less any part repayments made pursuant to **Clause 8 to the Standard Terms and Conditions**) of the Market Value of the Property at the point you repay. This means that if the Market Value of your Property increases during the term of the Mortgage, so will the amount you have to repay, while if it decreases the total amount you will repay decreases also.
- 5.3 The amount you will have to repay to the Lender will be calculated in accordance with **Clause 6, 7 or 8 of the Standard Terms and Conditions**. If selling your home the amount re-payable to the Lender is based on a percentage share of the Market Value of your home (being the amount you sell your home for, or the valuation of your home at the time, whichever is the higher).
- 5.4 Following receipt of any part payment pursuant to **Clause 8 of the Standard Terms and Conditions** we will re-calculate the amount of interest that you will be due to pay on the reduced balance. This means you get the benefit straight away if past the fifth anniversary of this Mortgage.

- 5.5 This Mortgage requires all the outstanding amounts to be repaid by the 25th anniversary of the date of this Mortgage subject to any permitted extension of the first charge mortgage in accordance with **Clause 21 of the Standard Terms and Conditions**.

6. Interest

From the fifth anniversary of the date of this Mortgage there is an interest charge which you must pay every month pursuant to **Clause 4.2.1 of the Standard Terms and Conditions**. The interest rate from the start of the sixth year is 1.75% per year, and this is payable on the proportion of the Full Purchase Price funded by the Lender (but reduced if there has been a previous part repayment, in accordance with **Clause 8 of the Standard Terms and Conditions**). The interest rate will increase each year by a percentage reflecting the increase (if any) in the Consumer Price Index (CPI) plus 2%, in accordance with **Clause 10 of the Standard Terms and Conditions**. If when we work out your interest rate, CPI is 0% or less, we will use a figure of 0% for CPI to calculate your interest rate increase. This means the interest rate increase will be a minimum of 2% and will never decrease. This is explained further in the Personal Worked Example supplied to you prior to entering into this Mortgage, a copy of which is included at Annex 2.

7 Fees

- 7.1 You will also have to pay:

- 7.1.1 A Management Fee of £1 per month in accordance with **Clause 4.2.2 of the Standard Terms and Conditions**; and
- 7.1.2 The costs of any valuations that you must carry out pursuant to **Clause 6, 7 or 8 of the Standard Terms and Conditions**; and
- 7.1.3 Any reasonable fees, expenses, liabilities and other costs (including legal costs), which are properly incurred or charged by us which are incidental to:
- (a) ensuring that you comply with the terms and conditions of this Mortgage or in recovering the Repayment Sum and any other sum that you may owe us under the Mortgage;
 - (b) protecting and enforcing this Mortgage; and
- 7.1.4 additional interest at the Default Interest Rate if you do not pay any amounts when they become due, which is explained in **Clause 11.4 of the Standard Terms and Conditions**.

8. Covenants

- 8.1 The covenants relating to this Mortgage are set out in **Clause 4 of the Standard Terms and Conditions**, including but not limited to, covenants:
- 8.1.1 To repay the Lender the Repayment Sum following a redemption event (as described in **Clause 5 to the Standard Terms and Conditions**);
- 8.1.2 To pay the Specified Interest and Management Fee;
- 8.1.3 Not to make Alterations to the Property without the Lender's consent;
- 8.1.4 Not to sub-let any part of the Property (including the whole) or grant any lease, licence or interest to a third party;
- 8.1.5 to take out buildings insurance for the Property.

9. Statements

- 9.1 We will send you an annual statement once a year free of charge.

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- 9.2 We recommend that you check your statements when you receive them. If anything on your statement appears to be wrong, you should tell us as soon as possible so that we can investigate the matter and correct anything that requires it.

10. Security

You agree that this Mortgage and the amount outstanding under it will be secured on the Property by way of a second ranking legal charge and for the registration of the restriction as set out in **Clause 12 to the Standard Terms and Conditions**.

11. Cancellation rights

You have no right to cancel this Mortgage after it comes into legal effect.

12. MISSING PAYMENTS

- 12.1 Missing payments could have severe consequences and make obtaining credit more difficult.

Your home may be repossessed if you do not keep up repayments on a mortgage or other debt secured on it.

13. YOUR RIGHTS UNDER THIS MORTGAGE

You can settle this Mortgage at any time by giving notice in writing and paying off the amount you owe under the Mortgage.

This Equity Mortgage incorporates the Standard Terms and Conditions set out on the following pages.

Complaints

If you have a complaint, you should contact us at
Target HCA
PO Box 911
Newport
N20 9PA

and we will do our best to resolve it.

SCHEDULE 1

HELP TO BUY EQUITY LOAN MORTGAGE STANDARD TERMS AND CONDITIONS

1. Interpretation

1.1 In these Standard Terms and Conditions the following words shall have the following meaning:-

Alteration means any alteration in or addition to the Property, or carrying out development or change of use within the meaning of any legislation for the time being relating to town and country planning affecting the structure or layout of the Property, including any matters in respect of which planning and/or building regulations approvals would be required (for example changing the internal layout (e.g. changing a downstairs room into a bathroom, converting a loft or basement, or adding an extension or conservatory, changing methods of access etc.) **PROVIDED THAT** routine internal re-decoration and maintenance, including but not limited to painting, carpeting, replacing a kitchen or bathroom, landscaping of the gardens/surrounding land are not considered an alteration for the purposes of this definition;

Authority to Proceed means the authority to proceed issued to the Borrower by or on behalf of the Lender confirming that the Borrower's application for Help to Buy Scheme finance was approved subject to contract;

Bankrupt means the Borrower has become bankrupt or makes or seeks an arrangement with its creditors or an interim order is made under section 252(1) of the Insolvency Act 1986 in relation to the Borrower;

Charged Property means the whole or any part of the property, assets, income and undertaking of the Borrower from time to time mortgaged, charged or assigned to the Lender pursuant to this Mortgage;

CPI means the United Kingdom Consumer Price Index or in the event that such ceases to be published (as to which the Lender's reasonable decision shall be conclusive) or if the said Index or the basis on which it is calculated or published is altered to a material extent (as to which the Lender's reasonable decision shall be conclusive) then the Lender may give written notice to the Borrower of some other published index of general prices or the value of money as a substituted index and in that case the substituted index so selected shall from that point onwards be the CPI. Where the CPI is 0% or less, a figure of 0% will be used for the purposes of CPI;

Declaration means the first time buyer's declaration at Annex 1;

Default Interest Rate means the interest rate used to calculate the Gross Interest payable under the terms of this Mortgage at the time of the relevant default;

Disposal means a transfer to a third party of the Borrower's interest in the Property or any part of the Property or the grant of a lease whether periodic or for a fixed term other than an Exempt Disposal;

Dispute Resolution Procedure means the procedure set out in clause 9;

Exempt Disposal means a disposal that is the vesting of the whole of the Borrower's interest in the Property in a person taking under a will or on an Intestacy or under Section 24 or 24A of the Matrimonial Causes Act 1973 or

under Section 2 of the Inheritance (Provision for Family and Dependents) Act 1975 or Section 17 of Matrimonial and Family Proceedings Act 1984 where (in the case of the death of the Borrower) such person is a member of the family of the Borrower who has resided with the Borrower throughout the period of 12 months ending with the death of the Borrower and for the purposes of this Deed, a "member of the family" has the same meaning as that contained in Section 62 of the Housing Act 1996 (as amended or replaced from time to time);

Extended Term Expiry Date means the date confirmed by the Lender pursuant to Clause 21.2;

First Charge means the charge or mortgage described in Clause 11.1;

First Charge Lender means a lender who shall have made available to the Borrower the First Charge (which expression includes its successors and assigns and also any persons for whom the First Charge Lender is acting as agent or trustee);

First Time Buyer means as defined in the Declaration;

Full Purchase Price means as defined in paragraph 3.2 to this Mortgage;

Gross Interest means a sum per annum equal to 1.75% of the Initial Market Value subject to annual increases in accordance with Clause 10;

Help to Buy Scheme means the government home ownership initiative entitled Help to Buy: Equity Loan 2021 – 2023 programme;

Initial Market Value means as defined in paragraph 3.2 to this Mortgage;

Initial Proportion means as defined in paragraph 3.3 to this Mortgage;

Insolvency Act means the Insolvency Act 1986;

Lender Contribution means as defined in paragraph 3.3 to this Mortgage;

Lender's Valuation means the valuation obtained by the Lender pursuant to clause 7.1.2(b);

LPA means the Law of Property Act 1925;

Management Fee means £1 per month payable as set out in clause 4.2;

Management Fee Commencement Date means the first day of the next calendar month following the calendar month in which this Mortgage is completed;

Market Value means the price (established in accordance with the RICS Valuation Standards) at which the sale of the Property would have been completed unconditionally for cash consideration on the date at which the Property is valued on an arms length sale in the open market disregarding:

- (a) any additions or improvements (other than decorative improvements) made to the Property by the Borrower with the written consent of the Lender;
- (b) the First Charge, this Mortgage and any other charges;

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- (c) any tenancy and/or any other right of occupation affecting the Property;

But assuming:

- (d) a willing seller and willing buyer;
- (e) that prior to the date at which the Property is valued the Property has been fully exposed to the market and there has been a reasonable period (having regard to the state of the market) for the proper marketing of the Property and for the agreement of price and terms and for the completion of the sale;
- (f) if the Property or any part of it has been destroyed or damaged it has been fully restored;
- (g) the Property is in good repair and condition well maintained as at the date at which the Property is valued;
- (h) that no account is taken of any additional bid by a purchaser with a special interest;
- (i) that both parties to the transaction have acted knowledgeably prudently and without compulsion;
- (j) that all the covenants (in Clause 4) on the part of the Borrower in this Mortgage have been fully complied with; and
- (k) that the Property will be vacant upon the completion of any disposal of the Property;

Provided That in the case of a Disposal where the Disposal price (disregarding any part of that price attributable to any additions or improvements made by the Borrower with the written consent of the Lender and valued by the Valuer) is greater than the Market Value then the Market Value shall be substituted with such Disposal price when calculating the Repayment Sum;

Medical Grounds means a medical ground detailed in a supporting statement from a Borrower's general practitioner or third party health care provider;

Memorandum means a memorandum of redemption of part issued pursuant to Clause 8.9;

Mortgage means the equity mortgage entered into between the Borrower and the Lender pursuant to which the Lender makes the Lender Contribution available to the Borrower and incorporating these Standard Terms and Conditions;

Nominated Agent means such agent appointed by the Lender from time to time and notified in writing to the Borrower;

Partial Redemption Request means a request from the Borrower to the Lender indicating what Specified Proportion the Borrower would like to redeem (in such form as the Lender may prescribe from time to time);;

Payment Date means the fifth anniversary of the date of this Mortgage;

Payment Method means the method by which the Borrower pays the Interest and other payments due under this Mortgage;

Personal Worked Example means the personal worked example annexed to the Authority to Proceed, a copy of which is included at Annex 2;

Property means as defined in paragraph 3.2 to this Mortgage;

Qualifying Lender has the meaning given in Statutory Instrument 2005/2863;

Receiver means any receiver appointed pursuant to this Mortgage;

Remaining Proportion means the Initial Proportion less any Specified Proportion(s) in respect of which payment has been made in accordance with Clause 8.7;

Redemption Request means a request from the Borrower to the Lender to repay the Mortgage (in such form as the Lender may prescribe from time to time);

Reduced Purchase Price means the Full Purchase Price less the Lender Contribution;

Repayment Sum means the Remaining Proportion of the Market Value shown in the agreed valuation obtained under clause 6, 7 or 8 as the case may be;

Review Date means

- (a) where this Mortgage is dated 1 April – 31 December (inclusive) the first 1 April following the Payment Date and each successive 1 April; and
- (b) where this Mortgage is dated 1 January – 31 March (inclusive) the second 1 April following the Payment Date and each successive 1 April;

RICS means the Royal Institution of Chartered Surveyors;

RICS Valuations Standards means the RICS Valuation Standards current at the date of the relevant calculation under this Mortgage or (if they do not then exist) such reasonable alternative mechanism and formula as may to be substituted by the Lender;

Security Interest means any mortgage, pledge, lien, charge, security assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security (including, for the avoidance of doubt, a floating charge) or any other type of preferential arrangement having a similar effect;

Seller means the party or body corporate (or its agent) transferring the legal interest in the Property to the Borrower on the date hereof;

Specified Interest means a sum equal to the Remaining Proportion of the Gross Interest per annum calculated as a daily rate and payable in twelve (12) equal instalments monthly in arrears;

Specified Proportion means a percentage stated in an application under Clause 8.1 or 8.3 being a minimum of 10% of the Market Value provided that the Specified Proportion may never be such that the Remaining Proportion will be less than 5%;

Standard Terms and Conditions means these Help to Buy Equity Mortgage Standard Terms and Conditions;

Tariff of Charges means the Lender's list of fixed fees and charges payable under this Mortgage in relation to the Lender's reasonable costs for administering requests by the Borrower under this Mortgage, such as (but not limited to)

valuation fees, administering redemption payments and administering requests for consent to carry on Alterations;

Term Date shall mean either:

- (a) (where (b) does not apply) the twenty-fifth anniversary of this Mortgage; or
- (b) (where the Lender has agreed to extend the term pursuant to Clause 21) the Extended Term Expiry Date;

Valuation Notice means notice of the determination of the Valuer of the Market Value in a form prescribed by the Lender;

Valuation means a report provided by the Valuer determining the Market Value of the Property;

Valuer means an independent valuer qualified as a Chartered Member [MRICS] of RICS or RICS Fellow [FRICS] as appointed:

- (a) pursuant to clauses 6, 7 and 8 ;or
- (b) pursuant clause 9 (dispute resolution), failing agreement, by or on behalf of the president for the time being (or other designated officer) of Royal Institute of Chartered Surveyors on the application of the Borrower, provided that in making their nomination the President shall select an independent surveyor qualified as a Chartered Member [MRICS] of RICS or RICS Fellow [FRICS] and specialising in and with experience in valuation of residential property in the vicinity of the Property;

and “failing agreement” shall for these purposes means failing any such joint appointment by the Parties of a Valuer within 5 Working Days of notice by one Parties to the other that the dispute or difference is to be referred to a Valuer;

Working Day means any day other than a Saturday, Sunday or statutory bank holiday in England;

- 1.2 In this Mortgage where the context admits references to the “Borrower” and “Lender” include their successors and the persons deriving title under them
- 1.3 Where the Borrower is more than one person the covenants on the part of the Borrower shall be joint and several covenants and references to the Borrower include any one or more of those persons
- 1.4 The singular includes the plural and the masculine includes the feminine and the neuter and vice versa
- 1.5 Any reference in this Mortgage (including, for the avoidance of doubt, these Standard Terms and Conditions) to any condition, sub-condition, paragraph, schedule, appendix or section heading is, except where it is expressly stated to the contrary, a reference to such condition, sub-condition, paragraph, schedule, appendix or section heading of this Mortgage.
- 1.6 Any primary or subordinate statutory provisions referred to in this Mortgage shall include any regulations statutory instruments or secondary

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legislation made pursuant to such statutory provisions and any variation amendment or re-enactment of such provisions.

1.7 Nominated Agent

The Lender reserves the right to appoint a Nominated Agent to administer this Mortgage on its behalf and to collect all payments that are due (including any payments pursuant to Clauses 6,7 and/or 8). Where the Lender has confirmed that a Nominated Agent is appointed:

- 1.7.1 all correspondence and/or payments that are required under this Mortgage should be directed to the Nominated Agent unless the Lender has notified the Borrower otherwise (in writing) of any changes to this arrangement; and
- 1.7.2 the Nominated Agent will be entitled to recover from the Borrower on behalf of the Lender any reasonable costs and expenses which the Lender is entitled to recover from the Borrower under the terms of this Mortgage and the Tariff of Charges.

2. Mortgage

2.1 The Borrower has agreed to the Seller or its agent being paid the Lender Contribution by the Lender and the Seller has agreed that:

- 2.1.1 the Lender Contribution will be applied towards the Full Purchase Price of the Property so that the Borrower only pays the Reduced Purchase Price; and
- 2.1.2 any obligation on the Borrower to pay an amount equal to the Lender Contribution to the Seller is satisfied by the Borrower entering into this Mortgage.

2.2 In consideration of the Lender's Contribution towards payment of the Full Purchase Price , the Borrower with full title guarantee charges all of their rights, title and interest in the Property by way of fixed charge (which so far as it relates to land in England the legal title to which is vested in the Borrower at the date of this deed will be a charge by way of legal mortgage) to the Lender as security for the discharge of the obligations and the making of the payments referred to in clause 2.3.

2.3 The Borrower covenants with the Lender that it will discharge all of its obligations which arise under the terms of this Mortgage and make all payments to the Lender as set out in this Mortgage as and when they fall due.

2.4 As at the date of this Equity Mortgage the Borrower warrants and represents to the Lender that they are a First Time Buyer.

3. Proviso for redemption and power of sale

- 3.1 If the Borrower pays to the Lender all the sums the Borrower covenants in this Mortgage to pay the Lender, the Lender will duly discharge this security in accordance with the terms of this Mortgage.
- 3.2 This Mortgage will become enforceable on the occurrence of one of the events set out in clause 5 or if the Borrower requests the Lender to appoint a Receiver over the whole or any part of the Charged Property and the Lender shall at any time after this Mortgage becomes enforceable have the power of sale and of appointing a Receiver and other powers conferred by the LPA.
- 3.3 On and at any time after the occurrence of one of the events set out in Clause 5, the Lender in its absolute discretion may by written notice to the Borrower:
- 3.3.1 declare all the sums which the Borrower covenants in this Mortgage to pay the Lender to be immediately due and payable and, upon that declaration, such sums shall become immediately due and payable without demand or notice of any kind, all of which are hereby expressly waived by the Borrower; or
- 3.3.2 declare all the sums which the Borrower covenants in this Mortgage to pay the Lender to be due and payable on demand of the Lender; and/or
- 3.3.3 declare the security constituted by this Mortgage to be enforceable.
- 3.4 For the purposes of all powers implied by statute, and in particular the power of sale under Section 101 of the LPA (Powers incident to estate or interest in a mortgage), all the sums which the Borrower covenants in this Mortgage to pay the Lender will be deemed to have become due when the security created by this Mortgage becomes enforceable and Section 103 of the LPA (Regulation of exercise of power of sale) and Section 93 of the LPA (Restriction on consolidation of mortgages) will not apply.
- 3.5 The statutory powers of leasing conferred on the Lender are extended so as to authorise the Lender to lease, make arrangements for leases, accept surrender of leases and grant options on such terms and conditions as the Lender may in its discretion think fit. The Lender is not obliged to comply with any of the provisions of Section 99 (Leasing powers of mortgagor and mortgagee in possession) and Section 100 (Powers of mortgagor and mortgagee in possession to accept surrenders of leases) of the LPA.
- 3.6 Each of the Lender and the Receiver may exercise such person's statutory power of sale in respect of the whole or any part of the Charged Property.

4. Covenants by the borrower

The Borrower covenants with the Lender:

- 4.1 To pay to the Lender on or immediately after a redemption event (which is described in Clause 5) an amount equal to the Repayment Sum by reference to the valuation (as described in Clause 6) as on the date of such an event together with any reasonable costs and expenses incurred by the Lender pursuant to this Mortgage and the Lender's Tariff of Charges and any other sums payable and outstanding under this Mortgage and the Lender's Tariff of Charges. This payment is to be made in the way described in Clause 6.
- 4.2 To pay by monthly instalments on the first day of each month (in arrears):
- 4.2.1 from the Payment Date by direct debit the Specified Interest (the first payment being due one month after the Payment Date).
- 4.2.2 from the Management Fee Commencement Date by direct debit the Management Fee.
- 4.3 To use the Property as a single private dwelling and residence, to occupy the Property as the Borrower's only or main residence, and not to hold a legal or beneficial interest in any residential property anywhere in the world other than the Property.
- 4.4 To keep the Property and all additions to the Property in good and substantial repair (allowing the Lender to enter and view the state of repair of the same or to enable the Lender to view and assess any potential breach of the Borrower's covenants at all reasonable times on reasonable notice without becoming liable to account as mortgagee in possession) and insured against loss or damage by fire and all usual risks which the Lender reasonably considers ought to be insured against in the Borrower's name and with the interest of the Lender noted on the policy to the full reinstatement value of the Property in an insurance office of repute and will duly and punctually pay all premiums and other monies necessary for effecting and keeping up such insurance immediately on the same becoming due or within one week of the due date and on demand to produce to the Lender the policy or policies of such insurance and the receipt for every such payment.
- 4.5 To apply all monies received on any insurance whatsoever in respect of loss or damage by fire or otherwise to the Property or any part of the Property in making good the loss or damage as soon as possible or (at the option of the Lender where repayment has become due under Clause 5) in or towards the discharge of the Repayment Sum.
- 4.6 To comply with all requirements of any local authority, all obligations under any statute (including any statute relating to planning matters) and all byelaws and regulations relating to the whole or any

- part of the Property, and to observe and perform and enforce all restrictive and other covenants all building regulations and all restrictions conditions and stipulations (if any) for the time being affecting the Property or the mode of the user or enjoyment of the same or any part of the Property.
- 4.7 To pay and discharge all existing and future rents rentcharges rates taxes duties charges assessments impositions and outgoings whatever (whether imposed by deed or statute or otherwise and even though of a wholly novel character) on time and in full now or at any time during the continuance of this security payable in respect of the Property or any part of the Property or by the owner or occupier of the Property.
- 4.8 To execute and do at the expense of the Borrower all such works and things whatever as may now or at any time during the continuance of this Mortgage be directed or required by any national or local or other public authority to be executed or done upon or in respect of the Property or any part of the Property or by the owner or occupier of the Property.
- 4.9 To obtain all licences permissions and consents and execute and do all works and things and bear and pay all expenses required or imposed by any existing or future legislation in respect of any works carried out by the Borrower on the Property or any part of the Property or of any user of the Property during the continuance of this Mortgage.
- 4.10 Not to make or cause or permit to be made any Alteration without the previous consent in writing of the Lender (which shall only be provided if such Alteration is on the basis of Medical Grounds) and subject to payment of all applicable fees under the Tariff of Charges.
- 4.11 To deliver to the Lender within seven days of receiving them full particulars of any notice or order or proposal served or made by a planning authority affecting the Property or any part of the Property which the Borrower receives and take all necessary steps to comply with any such notice or order or proposal Where the Borrower fails to comply with this clause then the Borrower must permit the Lender to enter on the Property for the purpose of taking such steps.
- 4.12 At the Borrower's own cost at the request of the Lender to make or join with the Lender in making such representations or objections or appeals in respect of any such notice, order or proposal served or made by any planning authority as the Lender may reasonably require and indemnify the Lender against all costs charges and expenses reasonably and properly incurred by the Lender in respect of such representations objections and appeals.
- 4.13 Not to grant or agree to grant any lease or tenancy of the Property or any part of the Property nor to confer upon any person any contractual licence right or interest to occupy the Property or any part of the Property or part with possession of the Property.
- 4.14 Not to deal with their interest in the Property in any way other than in accordance with clause 6 or 7.
- 4.15 Without limiting the generality of Clause 4.14, not to create or permit to subsist any Security Interest on the Property, save for
- 4.15.1 any lien arising by operation of law in the ordinary course of business in relation to fixtures and fittings and securing amounts not more than 30 days overdue;
- 4.15.2 a Security Interest securing amounts owing to a Qualifying Lender but only to the extent permitted by clause 11.1;
- 4.15.3 any Security Interest created with the prior written consent of the Lender.
- 4.16 Not to grant, create, or permit to be acquired, any easement, right or privilege relating to or affecting the whole or any part of the Property and not without the prior written consent of the Lender to permit any person to be registered at the Land Registry as proprietor of the Property or any part thereof or interest therein or create or permit to arise any overriding interest affecting the Property.
- 4.17 To pay any monies and/or liabilities which are from time to time due pursuant to the First Charge or secured thereby in accordance with the provisions of the First Charge and/or other agreements relating the same and to observe and perform all the covenants and obligations on the part of the Borrower contained or referred to in the First Charge or any such related document.
- 4.18 To furnish to the Lender promptly on demand by the Lender such information and supply such documents or papers relating to the Charged Property from time to time as the Lender may in its discretion require.
- 4.19 That the Borrower has not made any false or misleading statements or withheld information in applying to participate in the Help to Buy Initiative.
- 4.20 To keep the Lender fully indemnified in respect of any breach or non-observance of the covenants contained in this clause.
- 4.21 To allow the Lender (or its agent) to enter and inspect the property at all reasonable times on reasonable notice without becoming liable to account as mortgagee in possession
- 4.22 The undertakings in this clause shall remain in force during the continuance of the security constituted by this Mortgage

5. Redemption events

The occurrence of any of the following events shall trigger repayment under the provisions of Clause 4.1 of this Mortgage:

- 5.1 Any Disposal save for an Exempt Disposal; or
- 5.2 If the Borrower is in breach of the Borrower's covenants and obligations under this Mortgage the expiry of a default notice served by the Lender where the Borrower fails to take the action specified by the Lender in any default notice by the date specified for such purpose in the default notice; or
- 5.3 Upon repayment in full of the First Charge unless at the same time the Borrower takes out another First Charge in accordance with Clause 11; or
- 5.4 Any event or circumstance shall occur which would entitle the mortgagee under the First Charge to enforce the same or otherwise demand repayment of any debt secured thereby; or
- 5.5 The Borrower is Bankrupt; or
- 5.6 The occurrence of the Term Date or where the Mortgage has been extended by the provisions of Clause 21, the Extended Term Expiry Date.

6. Disposal of the Property and Determining the Repayment Sum

- 6.1 If the Borrower wishes to make a Disposal the Borrower must notify the Lender in writing to the effect that he wishes to make a Disposal (**Transfer Redemption Notice**).
- 6.2 Within fourteen (14) days of service of the Transfer Redemption Notice or where any of the other events set out in Clause 5 applies (each a "relevant event"), the Borrower shall apply (at its own cost) to the Valuer to determine the Market Value as at the date of receipt of the Transfer Redemption Notice or as at the date of the other relevant event as the case may be and within five (5) working days of receipt of such determination the Borrower shall serve a Valuation Notice on the Lender. If the Borrower has not made an application to the Valuer in accordance with this clause 6.2 within fourteen (14) days of a relevant event the Lender may, but shall not be obliged to, apply (at the cost of the Borrower) to the Valuer (whose decision shall be final) to determine the Market Value as at the date of the relevant event and within five (5) working days of receipt of such determination the Lender shall serve a Valuation Notice on the Borrower.
- 6.3 The Valuation Notice shall remain valid for a period of three (3) months and in the case of a Disposal where completion of the Disposal does not take place within three (3) months of service of the Valuation Notice, the procedure set out in Clauses 6.1 and 6.2 shall be repeated prior to the Disposal.

- 6.4 Upon completion of the Disposal in accordance with this Clause 6 or, where any other relevant event occurs within seven (7) days after determination of Market Value under Clause 6.2, the Borrower shall pay to the Lender the sums due in accordance with clause 4.1 PROVIDED THAT following completion of a Disposal no person shall be registered as proprietor of the Property until such time as the sums due in accordance with clause 4.1 are paid to the Lender at which time the Lender shall release and cancel the security created by this Mortgage.

7. Redemption before disposal

- 7.1 If the Borrower wishes to redeem this Mortgage before an event specified in Clause 5 the Borrower shall submit a Redemption Request to the Lender:
- 7.2 Within fourteen (14) days of written approval from the Lender to the Redemption Request the Borrower shall apply (at its own cost) to the Valuer to determine the Market Value as at the date of the Redemption Request.
- 7.3 Within 28 days of receipt of such determination by the Valuer the Borrower shall serve a Valuation Notice (including the Valuation Report) on the Lender.
- 7.4 Within 28 days of receipt of the Borrower's Valuation Notice the Lender shall confirm in writing that the:
 - 7.4.1 Market Value is agreed; or
 - 7.4.2 Lender has applied (at its own cost) to a Valuer to determine the Market Value;
- 7.5 Upon receipt of the Lender's Valuation the Lender shall serve the Lender's Valuation Notice to the Borrower confirming the Market Value as determined by the Lender's Valuer.
- 7.6 If the Borrower does not agree the Market Value pursuant to the Lender's Valuation Notice the Borrower will serve a notice on the Lender to refer the matter to the Dispute Resolution Procedure within 28 days of receipt of the Lender Valuation Notice.
- 7.7 At any time within three (3) months of service of the:
 - 7.7.1 Borrower's Valuation Notice (if agreed by the Lender pursuant to clause 7.4.1 above); or
 - 7.7.2 the Lender's Valuation Notice (pursuant to clause 7.4.2 above),

the Borrower may pay an amount equal to the Repayment Sum together with any other sums payable and outstanding under this Mortgage and the Lender's Tariff of Charges.

7.8 Any failure by the Lender to respond to the Borrower within the times set out in this Clause 7 will not render the rights of the Lender invalid.

7.9 As soon as reasonably possible after receipt of such payment the Lender will release and cancel the security created by this Mortgage.

8. **Redemption of part before disposal**

8.1 The Borrower is permitted to redeem a Specified Proportion of this Mortgage at any time before an event specified in clause 5 by submitting a Partial Redemption Request to the Lender indicating what Specified Proportion the Borrower would like to redeem.

8.2 Within fourteen (14) days of written approval from the Lender to the Partial Redemption Request the Borrower shall apply to the Valuer to determine the Market Value as at the date of the Partial Redemption Request.

8.3 Within 28 days of receipt of such determination by the Valuer the Borrower shall serve a Valuation Notice (including the Valuation Report) on the Lender together with written confirmation of any change to the Specified Proportion that the Borrower would like to repay following on from such valuation.

8.4 Within 28 days of receipt of the Borrower's Valuation Notice the Lender shall confirm in writing that the:

8.4.1 Market Value is agreed; or

8.4.2 Lender has applied (at its own cost) to a Valuer to determine the Market Value;

8.5 Upon receipt of the Lender's Valuation the Lender shall serve the Lender's Valuation Notice to the Borrower confirming the Market Value as determined by the Lender's Valuer.

8.6 If the Borrower does not agree the Market Value pursuant to the Lender's Valuation Notice the Borrower will serve a notice on the Lender to refer the matter to the Dispute Resolution Procedure within 28 days of receipt of the Lender's Valuation Notice.

8.7 At any time within three (3) months of service of the:

8.7.1 Borrower's Valuation Notice (if agreed by the Lender pursuant to clause 8.4.1 above); or

8.7.2 the Lender's Valuation Notice (pursuant to clause 8.4.2 above),

the Borrower may pay the Specified Proportion (as specified in accordance with 8.1 or 8.3) of the Market Value together with any other sums payable and outstanding under this Mortgage and the Lender's Tariff of Charges.

8.8 Any failure by the Lender to respond to the Borrower within the times set out in this Clause 8 will not render the rights of the Lender invalid.

8.9 As soon as reasonably possible after receipt of such payment the Lender shall execute a Memorandum evidencing the redemption of part and specifying the Remaining Proportion and details of the revised amount of Specified Interest and provide such Memorandum to the Borrower.

9. **Dispute Resolution**

9.1 All disputes and differences arising out of or in connection with Clauses 6, 7 and 8 (a **Dispute**) shall be resolved pursuant to the terms of this Clause 9.

9.2 **Negotiation**

9.2.1 In the event that the Borrower or the Lender consider that a Dispute exists, such party shall serve a notice upon the other party (a **Notice of Dispute**) giving brief details of the Dispute and in the first instance the parties shall use their reasonable endeavours to resolve such Dispute amicably and in good faith and in accordance with this Clause 9.

9.2.2 The Borrower shall submit a written statement as to the reason for the Dispute including such evidence to support their reasoning within twenty eight (28) days of receipt of a Notice of Dispute.

9.2.3 Pursuant to clause 9.2.2, the Lender will issue a written response to the Borrower's within 28 days (or a reasonable time thereafter).

9.3 **Referral to the Expert**

9.3.1 Where the parties fail to agree a unanimous resolution of the Dispute pursuant to Clause 9.2, the Borrower may give to the other written notice referring the dispute to a suitably qualified independent Valuer for determination in accordance with this Clause 9.

9.3.2 The Valuer shall be required to prepare a written decision and give notice (including a copy) of the decision to the Parties within a maximum of three months of the matter being referred to the Valuer.

9.3.3 The Parties shall be entitled to make written submissions to the Valuer and shall provide (or procure the provision to) the Valuer with such assistance and documents as the Valuer reasonably requires for the purpose of reaching a decision.

9.3.4 To the extent not provided for by this clause 9, the Valuer may in their reasonable

discretion determine such other procedures to assist with the conduct of the determination as they consider appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their determination.

9.3.5 Each Party shall (with reasonable promptness) supply each other with all information and give each other access to all documentation and personnel as the other Party reasonably requires to make a submission under this clause.

9.3.6 The Valuer shall act as an expert and not as an arbitrator. The Valuer shall determine the Market Value.

9.3.7 Each Party shall bear its own costs in relation to the reference to the Valuer. The Valuer's fees and any costs properly incurred by them in arriving at their determination (including any fees and costs of any advisers appointed by the Valuer) shall be borne by the Parties equally or in such other proportions as the Expert shall direct.

9.4 Submission to courts

Subject to the provisions of Clause 9, either party may choose to submit a Dispute to the courts of England and each party hereby irrevocably submits to the exclusive jurisdiction of the courts of England.

9.5 Lender's rights

Nothing in this Clause 9 shall prevent Homes England from exercising any of its rights under this Mortgage.

10. Interest Review

10.1 On and with effect from each Review Date the Gross Interest shall be adjusted by increasing the actual amount of Gross Interest payable immediately before that Review Date by 2% plus the increase (if any and expressed as a percentage) in CPI for the twelve (12) month period ending at the end of the September immediately preceding that Review Date.

10.2 On each Review Date the Specified Interest shall be increased to an amount equal to the Remaining Proportion of the Gross Interest increased in accordance with clause 10.1 as at the relevant Review Date.

11. Provisos

11.1 This Mortgage shall have priority immediately after one (1) prior legal charge (including any further advances issued in accordance with that legal charge for the purposes below) securing an amount advanced to the Borrower by a lending institution

which is a Qualifying Lender for the purposes of enabling the Borrower to

11.1.1 acquire the Property; or

11.1.2 fund improvements in the Property which have been approved by the Lender; or

11.1.3 redeem a sum pursuant to Clause 7 or 8; or

11.1.4 refinance an existing loan made in accordance with this clause 11.1;

provided that such legal mortgage (or any further advances) is approved in advance in writing by the Lender and the capital sum advanced under such legal mortgage (or as a further advance as applicable) does not exceed, where clause 11.1.1 applies, the sum equal to the Full Purchase Price less the Lender Contribution and any deposit paid by the Borrower or where clause 11.1.2 applies, the amount payable in respect of such improvements or where clause 11.1.3 applies, the sum required to redeem a sum pursuant to Clause 7 or 8 or where 11.1.4 applies, the amount originally borrowed under the existing loan (plus any further advances) as approved in accordance with this Clause 11.1.

11.2 If default shall at any time be made by the Borrower in the performance of any of the covenants contained in this Mortgage it shall be lawful for but not obligatory upon the Lender:

11.2.1 to perform the same and to pay all costs and damages reasonably occasioned by such default; and

11.2.2 with power in the case of any failure to repair in accordance with the covenants contained in this Mortgage to enter upon the Property upon reasonable prior written notice without becoming liable to account as mortgagee in possession.

11.3 All monies expended by the Lender for any such purpose and all costs charges and expenses reasonably and properly incurred by the Lender in relation to the protection or enforcement of this security whether involving litigation or not shall on demand be repaid to the Lender by the Borrower.

11.4 If the Borrower fails to pay any amount payable by it under this Mortgage, it shall on demand by the Lender, pay interest on both the overdue amount and on all costs, charges and expenses properly incurred by the Lender in relation to the protection or enforcement of this security (whether involving litigation or not and on a complete unlimited and unqualified indemnity basis) from the date upon which such amount was due up to the date of actual payment, both before and after judgement, at the Default Interest Rate (such interest charged at the Default Interest Rate will not be compounded).

11.5 Until repayment all monies due shall be a charge on the Property provided that the charge shall be in addition and without prejudice to any and every other remedy lien or security which the Lender may or but for the said charge would have for the recovery of monies secured by this Mortgage or any part of those monies.

12. Restriction

The parties agree that no person or persons shall be registered under the Land Registration Acts 1925 to 2002 or any statutory amendment or re-enactment of those Acts as proprietor or proprietors of the Property or any part of the Property without the consent in writing of the Lender (which shall not be granted if the Lender is not satisfied that other provisions of this Mortgage have been complied with in relation to the Property) and the Borrower shall at the same time as registering this Mortgage apply to HM Land Registry for the following restriction in standard form P pursuant to rule 91 and Schedule 4 of the Land Registration Rules 2003 (as amended) to be entered in the proprietorship register of the title to the Property:

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 06 May 2022 in favour of Homes and Communities Agency referred to in the charges register”

13. Receiver

13.1 At any time after the security constituted by this Mortgage has become enforceable, whether or not the Lender has entered into or taken possession of the whole or any part of the Charged Property pursuant to this Mortgagee:

13.1.1 The Lender may, by writing under the hand of any authorised officer of the Lender, appoint any person to be a receiver of the Charged Property and such person shall, with effect from the date of such appointment, be a **“Receiver”**;

13.1.2 The Lender may, from time to time, in similar manner, remove the Receiver and appoint another in his place; and

13.1.3 The Lender may, either at the time of appointment or at any time thereafter, fix the remuneration of the Receiver.

None of the restrictions imposed by the LPA in relation to the appointment of receivers, the giving of notice or otherwise shall apply.

13.2 The Receiver may from time to time delegate, by power of attorney or otherwise, to any person any of his powers and discretions, whether arising by statute, the provisions of this Mortgage or otherwise, upon such terms and for such periods of time as he may in his discretion think fit and may from time to

time terminate any such delegation. The Lender shall not be liable to the Borrower for any loss or damage arising from any such delegate's act, default, neglect or misconduct of any nature whatsoever.

13.3 The Receiver has all the powers to do or abstain from doing anything which the Borrower could do or abstain from doing in relation to the Charged Property including, without limitation the powers conferred by Section 109 of the LPA (Appointment, powers, remuneration and duties of receivers) and in particular the Receiver shall have power:

13.3.1 to sell, exchange, lease or in any other way dispose of the Charged Property in the manner and generally on terms the Receiver thinks fit in the Borrower's name and on its behalf;

13.3.2 to do anything an absolute owner could do with the Charged Property including:

(a) to take possession of, and collect, the Charged Property and any plant and machinery and for that purpose to take any proceedings in the Borrower's name or otherwise;

(b) to borrow money as the Receiver may require;

(c) to compromise or settle any claims arising out of, or against, the Charged Property;

(d) to undertake or complete any works of repair, building or development on the Property;

(e) to give or accept surrenders of any leases, licences or tenancies affecting the Property on terms and subject to conditions the Receiver thinks fit;

(f) to carry on any trade or business as has from time to time been carried on at the Property;

(g) to provide services and employ or engage managers, contractors and other personnel and professional advisers on terms the Receiver believes expedient;

(h) to make elections for value added tax purposes as the Receiver thinks fit;

(i) to do anything the Bank has power to do under the Mortgage;

and any indebtedness or expenditure incurred as above shall be expenses of the Receiver.

- 13.3.3 to charge remuneration (in addition to all costs, charges and expenses incurred) as the Lender may from time to time agree with the Receiver.
- 13.4 The Receiver is at all times and for all purposes the agent of the Borrower. Subject to the provisions of the Insolvency Act, the Borrower is solely responsible for all the Receiver's acts, defaults, neglect and misconduct of any nature whatsoever and for his remuneration and fees costs and expenses, to the exclusion of liability on the part of the Lender.
- 13.5 The Receiver is not obliged to exercise any of the powers set out in this clause.
- 13.6 Where more than one Receiver is appointed, each Receiver has the power to act severally unless the Lender specifies otherwise in the appointment of such Receiver.
- 13.7 The Lender may exercise all powers granted to the Receiver by this Mortgage, whether as attorney of the Borrower or otherwise.
- 13.8 The powers of the Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Lender as provided in this Mortgage or otherwise and so that, inter alia, such powers are and remain exercisable by the Lender in respect of that part of the Charged Property in respect of which an appointment of a Receiver by the Lender is from time to time subsisting.
- 13.9 The provisions of Sections 99 to 109 inclusive of the LPA are varied and extended to the extent that all monies received by the Receiver be applied in the following order:
- 13.9.1 in full payment of his remuneration and the fees costs and expenses of realisation including, without limitation, all fees costs and expenses of, or incidental to, any exercise of any power referred to in this Mortgage, including, without limitation, all outgoings paid by the Receiver;
- 13.9.2 providing for the matters specified in paragraphs (i) to (iii) inclusive of Section 109 (8) of the LPA (Appointment, powers, remuneration and duties of receiver);
- 13.9.3 in or towards satisfaction of any debts or other imposts which are by statute made payable in preference to the sums which the Borrower covenants in this Mortgage to pay the Lender to the extent to which such debts or imposts are made so payable;
- 13.9.4 if so required by the Lender in its discretion, in or towards satisfaction of the sums which

the Borrower covenants in this Mortgage to pay the Lender; and

13.9.5 to the person entitled to any surplus.

14. **Protection of Third Parties**

- 14.1 Any person (including, without limitation, any purchaser, mortgagor or Mortgagee) (in this Clause a "**purchaser**") dealing with the Lender may assume without inquiry that:
- 14.1.1 some part of the sums which the Borrower covenants in this Mortgage to pay the Lender has become due;
- 14.1.2 a demand for such sum has been duly made; and
- 14.1.3 such sum has become due within the meaning of Section 101 of the LPA (Powers incident to estate or interest in a mortgage).
- 14.2 No purchaser dealing with the Receiver or the Lender is to be concerned to enquire whether any power exercised or purported to be exercised by the Receiver or the Lender has become exercisable, or as to the propriety or regularity of any sale by, or other dealing with, the Receiver or the Lender. Any such sale or dealing is deemed to be within the powers conferred by this Mortgage and to be valid and effective accordingly. All the protection to purchasers contained in Section 104 (Conveyance on sale) and Section 107 (Mortgagee's receipt, discharges etc.) of the LPA apply to any purchaser.

15. **Possession**

- 15.1 If the Lender or a Receiver shall enter into possession of the Property (or any part of the Property) such person may from time to time go out of such possession.
- 15.2 Neither the Lender nor the Receiver is:
- 15.2.1 liable to account as mortgagee in possession in respect of the Charged Property; or
- 15.2.2 liable for any loss upon realisation or exercise of any power, authority or right of the Lender or the Receiver arising under this Mortgage, or for any act, default, neglect, or misconduct of any nature whatsoever.

16. **Further Assurances**

- 16.1 The Borrower shall, at its own expense, take whatever action the Lender or a Receiver may require for:
- 16.1.1 creating, perfecting or protecting any security intended to be created by this Mortgage; or

- 16.1.2 facilitating the realisation of all or any part of the Charged Property or the exercise of any right power or discretion exercisable by the Lender or a Receiver in respect of any Charged Property.

This includes the execution of any transfer, conveyance, assignment, mortgage or charge of any property whether to the Lender or otherwise or the giving of any notice, order, direction or instruction or the making of any registration which in any such case the Lender may think expedient.

17. Power of Attorney

- 17.1 The Borrower irrevocably appoints, by way of security, the Lender, each person deriving title from the Lender and the Receiver, jointly and severally to be the Borrower's attorney (with full power to appoint substitutes and to sub-delegate) for the Borrower, in the Borrower's name, on the Borrower's behalf and as the Borrower's act and deed or otherwise to sign or execute any deed or document or do any act or thing which the Borrower is, or may become, obliged to sign, execute or do pursuant to this Mortgage or which the Lender, the Receiver or any person deriving title from the Lender or the Receiver may in the discretion of such person think fit in connection with the exercise of any of the powers of such person or the realisation of any security constituted by this Mortgage.

- 17.2 Without prejudice to the generality of the foregoing, the Borrower unconditionally undertakes to the Lender, and separately to the Receiver and to each person deriving title from the Lender or the Receiver that the Borrower shall ratify and confirm anything done or purported to be done by any attorney appointed pursuant to this Clause.

18. General Provisions

- 18.1 The Lender may vary the levels of the fees and charges set out in the Tariff of Charges from time to time at the Lender's discretion to reflect changes to its reasonable costs and changes to law or regulation. Updates to the Tariff will be published on the Lender's website 1 month before they take effect,
- 18.2 This Mortgage is a continuing security to the Lender regardless of any intermediate payment or discharge of the whole or any part of the sums which the Borrower covenants in this Mortgage to pay the Lender and will not be prejudiced or affected by any act, omission or circumstance which, but for this Clause, might affect or diminish its effectiveness.
- 18.3 The security constituted by this Mortgage is in addition to, is not in substitution for, is without prejudice to, and does not merge with, any rights whatsoever which the Lender may have, whether in respect of the sums which the Borrower covenants in this Mortgage to pay the Lender or otherwise,

including, without limitation, any rights arising under any other security interest, any bill, note, guarantee, contract or applicable rule of law.

- 18.4 No assurance, security or payment which may be avoided under the law or subject to an order of the court made under any law relating to bankruptcy or insolvency, including, without limitation, the Insolvency Act, and no release, settlement or discharge given or made by the Lender on the faith of any such assurance, security or payment, prejudices or affects the right of the Lender to recover any monies from the Borrower or to enforce the security constituted by this Mortgage to the full extent of the sums which the Borrower covenants in this Mortgage to pay the Lender.

- 18.5 No failure or delay or other relaxation or indulgence on the part of the Lender to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

19. Prior Charges

- 19.1 If there subsists any prior charge against the Charged Property (or any of it) and either, any step is taken to exercise any power or remedy conferred by such charge or the Lender or the Receiver exercises any power of sale pursuant to this Mortgage, the Lender may redeem such prior charge or procure the transfer of such charge to itself and may settle and pass the accounts of the person entitled to such charge.

- 19.2 All the principal money interest costs charges and expenses of or incidental to any such redemption or transfer shall be repaid by the Borrower (subject to the provisions of clause 19.3 below) to the Lender on demand with interest at the Default Interest Rate payable from the date of payment by the Lender until payment by the Borrower and until repayment all such sums and interest shall comprise part of the sums which the Borrower covenants in this Mortgage to pay the Lender and be secured pursuant to this Mortgage.

- 19.3 The maximum aggregate liability of the Borrower pursuant to clause 19.2 shall not exceed the aggregate of any gross sale proceeds received upon any subsequent realisation of the Property by the Receiver and/or the Lender.

20. Assignment

- 20.1 The Borrower may not assign, transfer, novate or dispose of any of or any interest in, their rights and obligations under this Mortgage without the prior written consent of the Lender (acting in its absolute discretion).

20.2 The Lender may sell, assign or transfer or otherwise dispose of any of its rights benefits and obligations under this Mortgage and/or in respect of the sums which the Borrower covenants in this Mortgage to pay the Lender to anyone at any time.

20.3 If the Lender sells, assigns transfers or otherwise disposes of any or all of its rights, benefits and obligations the Borrower's own rights benefits and obligations under this Mortgage will stay exactly the same but it will be bound to any person or organisation to whom the Lender sells assigns or transfers or otherwise disposes. That person or organisation will have the Lender's powers and rights benefits and obligations so far as the these are sold, assigned transferred or disposed of. The Lender will be released automatically from its obligations to the Borrower so far as the Lender's obligations are assumed by that person or organisation.

20.4 The Borrower consents to the disclosure by the Lender of any information about the Borrower, this Mortgage, the Charged Property and/or the sums which the Borrower covenants in this Mortgage to pay the Lender to (a) any person to whom the Lender proposes to sell, assign transfer or dispose or has sold assigned transferred or disposed all or any of its rights, benefits and obligations under this Mortgage and/or the sums which the Borrower covenants in this Mortgage to pay the Lender (b) any person with whom the Lender proposes to enter or has entered into any arrangements in respect of this Mortgage and/or the sums which the Borrower covenants in this Mortgage to pay the Lender (c) any associated and/or subsidiary company from time to time of the Lender or any of its or their agents and (d) any other person, if required or permitted by law to do so.

21. Extension of the term of this Mortgage

21.1 Where prior to the Term Date (but no earlier than the twenty-fourth anniversary of the date of this Mortgage) the Borrower requests in writing to the Lender an extension to the term of this Mortgage, the Lender hereby agrees to consent to such request **provided that:**

21.1.1 the term of the First Charge (including any replacement First Charges approved by the Lender pursuant to Clause 11.1) is due to expire after the Term Date; and

21.1.2 the First Charge is valid and subsisting as at the date the Lender grants its consent to any extension; and

21.1.3 the approved extension matches (or does not exceed) the remaining term of the First Charge.

21.2 In approving any extension of the term of this Mortgage pursuant to Clause 21.1, the Lender shall

confirm in writing the length of the extension and the Extended Term Expiry Date for the purposes of Clause 5.6.

21.3 Pursuant to Clause 21.2, the parties acknowledge and agree that the Term Date for the purposes of this Mortgage shall be the Extended Term Expiry Date with effect from the date of the confirmation issued pursuant to Clause 21.2.

22. Information and third parties

22.1 The Borrower hereby authorises:

22.1.1 the Lender to disclose to any First Charge Lender from time to time personal information relating to the Borrower or to the provisions of this Mortgage (including details of any arrears);

22.1.2 any First Charge Lender from time to time of the Borrower to disclose to the Lender such information as the Lender may request regarding the Borrower and the Mortgage (including details of any arrears); and

22.1.3 the Lender to disclose to any such third parties as may be reasonable in the circumstances from time to time personal information relating to the Borrower or to the provisions of this Mortgage (including details of any arrears) in order to protect, perfect and enforce the security constituted by this Mortgage;

23. Notices

23.1 Each party may give any notice, demand or other communication under or in connection with this Mortgage by letter or comparable means of communication addressed to the other party at the address identified with its name above. Any such communication will be deemed to be given as follows:

23.1.1 if served on the Borrower or left at the Borrower's current address or last known business or private address, at the time of delivery;

23.1.2 if by first class letter, on 48 hours after posting if the address of the recipient is in the country of despatch, otherwise on the seventh working day after posting and

23.1.3 If delivered by email where no notification of transmission failure is received, within 2 hours of sending if sent on a Working Day between the hours of 9am and 4pm and by

12 noon on the next following Working Day
if sent at any other time or day,

- 23.2 In proving such service it shall be sufficient to prove that personal delivery was made or that such letter was properly stamped first class, addressed and delivered to the postal authorities.

24. **Law and jurisdiction**

- 24.1 This Mortgage shall be governed by and construed in accordance with the law of England and Wales;
- 24.2 The Borrower and the Lender irrevocably submit to the non exclusive jurisdiction of the courts of England and Wales.

25. **Execution**

This Mortgage will become an executed agreement and will be binding on and delivered by the parties on the date of completion of the purchase of the Property being the date set out at the beginning of this Mortgage.

In witness of the above provisions the Borrower has executed this mortgage as a deed and delivered the same the day and year set out at the beginning of this Mortgage

Sign this mortgage only if you want to be legally bound by its terms

Signed as a Deed by)

Olatubosun Favour Olawoyin)

in the presence of:)



Name: OLATUBOSUN FAVOUR OLAWOYIN

Witness signature Al Buddin

Name ALISON BUDDIN

Address 56 ROSLIN WAY
BROMLEY, BR1 4QT

Occupation HEALTH CARE PROFESSIONAL

Signed as a Deed by)

Adeola Oluseye Olawoyin)

in the presence of:)



Name: ADEOLA OLUSEYE OLAWOYIN

Witness signature Al Buddin

Name ALISON BUDDIN

Address 56 ROSLIN WAY
BROMLEY, BR1 4QT

Occupation HEALTHCARE PROFESSIONAL

Signed as a Deed by)
)
in the presence of:)
Name:

Witness signature
Name
Address
Occupation

Signed as a Deed by)
)
in the presence of:)
Name:

Witness signature
Name
Address
Occupation

Annex 1
Declaration

Homes England - First Time Buyer Declaration

WARNING If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years' imprisonment or an unlimited fine, or both.

| Borrower's Details | |
|--|--|
| Full Name: | Olatubosun Favour Olawoyin |
| Date of Birth: | 17/07/1982 |
| National Insurance Number: | SY971479D |
| Address of the Property being acquired: | 70 Knights Templar Way, Strood, Rochester, ME2 2ZD <div style="text-align: right;">(the "Property")</div> |
| Purchase Price of the Property: | £437,600.00 |
| Is the Property in London: | No |
| Homes England: | Homes and Communities Agency (trading as Homes England) of One Friargate, Coventry CV1 2GN |
| Scheme: | Help to Buy: Equity Loan 2021 – 2023 Programme |
| Home Purchase Plan | any home purchase plan in accordance with article 63F(3) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544). |

I confirm and declare by signing this First Time Buyer Declaration that:

1) I am either:

1.1 resident in the United Kingdom for tax purposes; **OR**

1.2 not resident in the United Kingdom for tax purposes but either:

- (a) perform duties which, by virtue of section 28 of the Income Tax (Earnings and Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom; **OR**
- (b) I am married to, or in a civil partnership with, a person who performs such duties.

2) I have read the "Definition of a First Time Buyer" in the Appendix at the end of this form and have sought professional advice where I am still unsure what constitutes the definition of a First Time Buyer.

3) I do not own, and never have owned or entered into a Home Purchase Plan (or equivalent arrangement) in relation to any interest in residential land, whether in the United Kingdom or elsewhere, which:

3.1 is:

3.1.1 in England or Wales:

- (a) freehold; **OR**
- (b) leasehold, where the lease was originally granted for a term certain exceeding 21 years; or commonhold; **OR**
- (c) Commonhold; **OR**

3.1.2 in Scotland, registered or recorded, or would be capable of being registered or recorded, as a right of absolute ownership in the Land Register of Scotland or General Register of Sasines in Scotland (as applicable); **OR**

3.1.3 in Northern Ireland:

- (a) freehold; **OR**
- (b) leasehold, where the lease was originally granted for a term certain exceeding 21 years; **OR**

3.1.4 an equivalent interest in residential land to the interests in land listed in paragraphs 3.1.1(a) to 3.1.1(c) above:

- (a) under the laws of any jurisdiction outside the United Kingdom (i.e. anywhere in the world); **AND**
- (b) comprises a building that is used or suitable for use as a dwelling, or is in the process of being constructed or adapted for such use; **AND**
- (c) I acquired:
 - (i) as a purchaser by way of sole or joint ownership; **OR**
 - (ii) which entitles me to possess or occupy that land.

- 4) I intend to occupy the Property as my only or main residence and will, following the acquisition of the Property, occupy the Property as my only or main residence.
- 5) I am purchasing the Property as a sole owner or as a joint owner with another individual(s) who is/are also a First Time Buyer(s).
- 6) I am not purchasing the Property by means of a 'buy to let' mortgage.
- 7) I understand that making a false or misleading statement in this First Time Buyer Declaration may:

7.1 give rise to personal liability, including criminal liability,

7.2 constitute a breach of the Scheme terms; and

7.3 result in any borrowing becoming immediately due and payable to Homes England or result in any offer of funding to me being withdrawn by Homes England.

I declare that the information I have provided is true and complete to the best of my knowledge and belief.

Name Olatubosun Favour Olawoyin

Signed


Dated


You must provide your signature in wet ink or by providing an electronic copy of this declaration containing your wet ink signature.

PLEASE NOTE THAT WHERE MORE THAN ONE BORROWER, EACH BORROWER SHOULD COMPLETE AND SIGN A SEPARATE DECLARATION.

APPENDIX

DEFINITION OF A FIRST TIME BUYER

For consistency, the Homes England has adopted HMRC's definition of a first time buyer and in order to count as a first time buyer, a purchaser must not, either alone or with others, have previously acquired a major interest in a dwelling or an equivalent interest in land situated anywhere in the world.

This includes previous acquisitions by inheritance or gift, or by a financial institution on behalf of a person under an alternative finance scheme.

Eligibility for the Scheme is not denied by virtue of a previous acquisition as a trustee unless the purchaser was also a beneficiary of the trust.

Relief is also not denied if the purchaser owns or has previously owned non-residential or mixed-use property, as long as that property did not include a dwelling.

This restriction does not apply where the interest acquired was the grant or assignment of a lease with less than 21 years to run e.g. assured shorthold tenancies.

If the property is being purchased jointly, all the purchasers must meet these conditions.

Homes England - First Time Buyer Declaration

WARNING If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years' imprisonment or an unlimited fine, or both.

| Borrower's Details | |
|--|--|
| Full Name: | Adeola Oluseye Olawoyin |
| Date of Birth: | 07/07/1983 |
| National Insurance Number: | SE001240A |
| Address of the Property being acquired: | 70 Knights Templar Way, Strood, Rochester, ME2 2ZD (the "Property") |
| Purchase Price of the Property: | £437,600.00 |
| Is the Property in London: | No |
| Homes England: | Homes and Communities Agency (trading as Homes England) of One Friargate, Coventry CV1 2GN |
| Scheme: | Help to Buy: Equity Loan 2021 – 2023 Programme |
| Home Purchase Plan | any home purchase plan in accordance with article 63F(3) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544). |

I confirm and declare by signing this First Time Buyer Declaration that:

1) I am either:

1.1 resident in the United Kingdom for tax purposes; **OR**

1.2 not resident in the United Kingdom for tax purposes but either:

- (a) perform duties which, by virtue of section 28 of the Income Tax (Earnings and Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom; **OR**
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3.1 is:

3.1.1 in England or Wales:

- (a) freehold; **OR**
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3.1.2 in Scotland, registered or recorded, or would be capable of being registered or recorded, as a right of absolute ownership in the Land Register of Scotland or General Register of Sasines in Scotland (as applicable); **OR**

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- (a) under the laws of any jurisdiction outside the United Kingdom (i.e. anywhere in the world); **AND**
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 - (i) as a purchaser by way of sole or joint ownership; **OR**
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6) I am not purchasing the Property by means of a 'buy to let' mortgage.

7) I understand that making a false or misleading statement in this First Time Buyer Declaration may:

7.1 give rise to personal liability, including criminal liability,

7.2 constitute a breach of the Scheme terms; and

7.3 result in any borrowing becoming immediately due and payable to Homes England or result in any offer of funding to me being withdrawn by Homes England.

I declare that the information I have provided is true and complete to the best of my knowledge and belief.

Name Adeola Oluseye Olawoyin

Signed 

Dated 01/11/2021

You must provide your signature in wet ink or by providing an electronic copy of this declaration containing your wet ink signature.

PLEASE NOTE THAT WHERE MORE THAN ONE BORROWER, EACH BORROWER SHOULD COMPLETE AND SIGN A SEPARATE DECLARATION.

APPENDIX

DEFINITION OF A FIRST TIME BUYER

For consistency, the Homes England has adopted HMRC's definition of a first time buyer and in order to count as a first time buyer, a purchaser must not, either alone or with others, have previously acquired a major interest in a dwelling or an equivalent interest in land situated anywhere in the world.

This includes previous acquisitions by inheritance or gift, or by a financial institution on behalf of a person under an alternative finance scheme.

Eligibility for the Scheme is not denied by virtue of a previous acquisition as a trustee unless the purchaser was also a beneficiary of the trust.

Relief is also not denied if the purchaser owns or has previously owned non-residential or mixed-use property, as long as that property did not include a dwelling.

This restriction does not apply where the interest acquired was the grant or assignment of a lease with less than 21 years to run e.g. assured shorthold tenancies.

If the property is being purchased jointly, all the purchasers must meet these conditions.

Annex 2
Personal Worked Example

Personal worked example

| Help to Buy information | |
|---|-------------|
| Date of Authority to Proceed* | 25/10/2021 |
| Authority to Proceed expiry date* | 25/01/2022 |
| Full purchase price* | £437,600.00 |
| Homes England Help to Buy contribution* | £87,520.00 |
| Help to Buy: Equity Loan percentage* | 20 |
| Homebuyer(s) deposit | £350,080.00 |
| Homebuyer(s) percentage contribution | 80 |

| Example 1 | |
|---------------------------|-----------|
| Year for CPI calculation | 7 |
| Assumed CPI | 1.50 |
| Assumed CPI plus 2% | 6.90 |
| Interest charge in year 7 | £1,585.00 |

| Example 2 – Sale at end of year 1 | |
|--|------------|
| Sum paid where increase after 1 year is 5% | £91,896.00 |

| Example 3 – Sale at end of year 7 | |
|---|-------------|
| Assumed CPI | 1.50 |
| Market value in year 7 (5% annual increase) | £615,747.14 |
| Capital repayment sum in year 7 (sale) | £123,149.00 |
| Interest repayment sum in year 7 (sale) | £3,117.00 |
| Total repayment sum in year 7 | £126,266.00 |
| Annual Percentage Rate (APR) | 5.38 |

*Data to be entered by the Help to Buy agent.

Please note that this document is only a guide for Help to Buy agents to provide a personal worked example for each equity loan application. The Help to Buy agent should understand how the information is worked out before sending it to the homebuyer's conveyancer.

Help to Buy

Example calculations for homebuyer(s)

Interest increase per year (Consumer Price Index + 2%) 6.90

Market value increases by 5% per year

| | | |
|---------------------|-------------------------------------|-------------|
| INITIAL INFORMATION | Full purchase price | £437,600.00 |
| | Help to Buy contribution | £87,520.00 |
| | Help to Buy percentage contribution | 20 |

Annual interest payments

The examples used in this document are based on the full purchase price and the contribution made by Homes England through the Help to Buy: Equity Loan. No interest is payable for the first 5 years.

In year 6, interest is payable at 1.75% of the Help to Buy: Equity Loan amount. From year 7 onwards the total amount of interest charged will increase from the previous year by 2% plus any increase in the Consumer Price Index (CPI) for the previous 12 months. As CPI cannot be predicted, we have assumed the CPI in this example to be 1.50% every year, and an annual increase in market value of 5%. The management fees are excluded from the calculations in the example.

| | | |
|--------------|---------------------------|-----------|
| Year 6 | Annual interest charge | £1,532.00 |
| | Monthly payment | £128.00 |
| Market value | Interest rate | 1.75 |
| £586,425.85 | Increase on previous year | N/A |
| Year 7 | Annual interest charge | £1,585.00 |
| | Monthly payment | £132.00 |
| Market value | Interest rate | 1.81 |
| £615,747.14 | Increase on previous year | £53.61 |
| Year 8 | Annual interest charge | £1,641.00 |
| | Monthly payment | £137.00 |
| Market value | Interest rate | 1.87 |
| £646,534.50 | Increase on previous year | £55.48 |
| Year 9 | Annual interest charge | £1,698.00 |
| | Monthly payment | £142.00 |
| Market value | Interest rate | 1.94 |
| £678,861.23 | Increase on previous year | £57.42 |
| Year 10 | Annual interest charge | £1,758.00 |
| | Monthly payment | £146.00 |
| Market value | Interest rate | 2.01 |
| £712,804.29 | Increase on previous year | £59.43 |
| Year 11 | Annual interest charge | £1,819.00 |
| | Monthly payment | £152.00 |
| Market value | Interest rate | 2.08 |
| £748,444.50 | Increase on previous year | £61.51 |
| Year 12 | Annual interest charge | £1,883.00 |
| | Monthly payment | £157.00 |
| Market value | Interest rate | 2.15 |
| £748,444.50 | Increase on previous year | £63.67 |

Sale of property – example Annual Percentage Rate (APR)

If you sell the property or repay the equity loan in full, based on the example figures shown above, the total cost of the Help to Buy: Equity Loan (excluding management fees) would work out with the following example Annual Percentage Rates (APR):

| Year of sale | Total cost of equity loan* | Annual Percentage Rate (APR) |
|----------------|----------------------------|------------------------------|
| End of year 6 | £118,817.00 | 5.23 |
| End of year 7 | £126,266.00 | 5.38 |
| End of year 8 | £134,064.00 | 5.48 |
| End of year 9 | £142,228.00 | 5.54 |
| End of year 10 | £150,774.00 | 5.59 |
| End of year 11 | £159,721.00 | 5.62 |
| End of year 12 | £161,604.00 | 5.24 |

*Excluding management fees

Personal worked example illustrating the different costs of the equity loan

Olatubosun Olawoyin
Adeola Olawoyin

You have found a home which is valued at £437,600.00

The Homes and Communities Agency (trading as Homes England) (**Homes England**) has agreed to loan you 20% of the purchase price.

You will fund £350,080.00 which represents 80% of the market value.

There are no interest charges for the first 5 years.

In year 6, you will have to pay a monthly interest of £128.00.

In year 7, and every year after until the Help to Buy: Equity Loan is paid back in full the total interest charge increases by CPI plus 2% for the previous 12 months.

The amount of interest you will pay is calculated by multiplying the following:

1. the market value of your home when you bought it
2. by the interest rate (1.75% for the first year interest is payable (which will be year 6 of the equity loan));
3. by the equity loan percentage that you borrowed.

Payments are calculated as an annual figure and then divided in 12 equal monthly instalments.

How the interest rate increases

In April from year 7 (on the sixth anniversary of your equity loan) and every year thereafter, the interest rate on the equity loan will increase by the Consumer Price Index (CPI) from September of the previous year plus 2%. The interest rate will continue to increase until the equity loan is paid back in full.

This table shows how interest charges are calculated and how the interest rate increases over time.

In this example, it assumes CPI is a constant at 2.5%. However, CPI can vary as it is a measure of inflation.

| Year of equity loan | Interest rate increase calculation | Interest rate |
|---------------------|---|---------------|
| Year 1 - 5 | No interest payments | 0% |
| Year 6 | Not applicable | 1.75% |
| Year 7 | 1.75% (year 6 rate) + 0.08% (1.75% x (2.5% CPI + 2%)) | 1.83% |
| Year 8 | 1.83% (year 7 rate) + 0.08% (1.83% x (2.5% CPI + 2%)) | 1.91% |

The illustrative annual and monthly interest amounts payable are shown in your personal worked example.

Repaying the Help to Buy: Equity Loan (2021-2023)

You can pay off the equity loan at any time. If you decide to repay the Help to Buy: Equity Loan in full, you will pay back 20% of the market value.

To work out how much you need to pay back we use the current market value of your home. This is determined by a Royal Institution of Chartered Surveyors (RICS) valuer, or the price it sells for (in the case of a house sale), whichever is highest. If you want to pay back your loan, but are not selling your home, the market value will be determined by a RICS valuer.

The entry called "Example 3 – Sale at the end of year 7" on page 6 of the worked example, shows how much you will repay Homes England at the end of year 7. This is if your property price has increased by 5% every year, based on the assumed CPI in Year 7. The capital repayment amount is £91,896.00.² and the total interest repayment amount is £1,585.00. In this example, the APR is 5.38%.

The percentage you borrow is based on the market value of your new home when you buy it.

When you repay your loan in full or in part, the amount you pay back is worked out as a percentage of the market value at the time you choose to repay.

If the market value of your home rises, so does the amount you owe on your equity loan. And if the value of your home falls, the amount you owe on your equity loan falls too.

So, if the full purchase price was £210,000 and at the time of repayment the valuer determined the market value to be £215,000³ but the property proved popular with potential homebuyers and eventually a sale was agreed at £220,000 then the sale price would be used to calculate the equity loan repayment.

The table below illustrates a) where the RICS valuation is more than the sales price and b) where the sale price is more than the RICS valuation.

² Example 3 – Sale at end of year 7 shown in the worked example table on page 6

³ Example 3 – Sale at end of year 7 shown in the worked example table on page 6

| | Valuation | Sale price | Figure used to calculate repayment under equity loan | Your entitlement: 80% of market value * * This entitlement excludes any balance you owe on your repayment mortgage | Homes England entitlement: 20% of market value |
|----|-----------|------------|--|--|---|
| a) | £215,000 | £220,000 | Sale Price (£220,000) | £176,000 | £44,000 |
| b) | £235,000 | £230,000 | Valuation (£235,000) | £188,000 | £47,000 |

Please note that this is based **solely** on the amount you borrowed and does not include interest charges or any valuation fee payable on repayment.

The above example is for illustration only. Consider seeking independent financial advice on whether the Help to Buy: Equity Loan is right for you.

Your home may be repossessed if you do not keep up repayments on your mortgage, equity loan or other loans secured against it. Consider seeking independent financial advice on whether the Help to Buy: Equity Loan is right for you.