



Kensington

# NORTHERN IRISH MORTGAGE PACK 2020

# CONSUMER

For use by professional(s) who hold a current Practising Certificate from the Law Society of Northern Ireland.

# MORTGAGE DEED



**Kensington**

This Mortgage Deed is made on the Date between the Borrower(s) and the Company. All capitalised terms in this Deed have the meaning given to them in the Kensington Mortgage Conditions (Northern Ireland) 2020 Ref KMC20 (**the Mortgage Conditions**) unless otherwise defined.

|                      |   |  |
|----------------------|---|--|
| <b>Date</b><br>date) | (Insert   | <b>Mortgage Conditions</b><br>Kensington Mortgage Company Limited Mortgage Conditions Northern Ireland 2020 (the " <b>Mortgage Conditions</b> ") |
| <b>Lender</b>        | Kensington Mortgage Company Limited (Company number: 3049877) whose registered office is at Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ and its successors and assigns including any legal and/or equitable assignee, or transferee of this Mortgage Deed whether by way of security only and those deriving title under it or them (" <b>we</b> " or " <b>us</b> " or " <b>our</b> ") |  |
| <b>Property</b>      | <b>Property:</b><br>Freehold/Leasehold land being:<br><br>Registered at the Land Registry for Northern Ireland with Folio Number(s):<br><br>County:<br><br>(the " <b>Property</b> ")  |  |
| <b>Mortgagor</b>     | <b>Mortgagor:</b><br>Names of borrower(s):<br><br>of address:<br><br>( <b>"you"</b> or <b>"your"</b> )  |  |

1. This Mortgage Deed incorporates the Mortgage Conditions. You agree to be bound by the Mortgage Conditions and the Mortgage Offer and covenant to observe and comply with the conditions contained in the Mortgage Conditions and the Mortgage Offer. You confirm that you have received a copy of the Mortgage Conditions and acknowledge receipt of these.
2. As beneficial owner, you hereby:
  - a) Charge so much of the Property as has a title continuing security for the payment of the loan (as defined in the Mortgage Conditions) and any other amount you owe us under any other agreement we have (or will have) with you while we still have security over the property (in accordance with condition 11.1 of the Mortgage Conditions) and consent to the registration of this charge as a burden against the Property at Land Registry;

- b) demise so much of the Property as is of freehold tenure unto us for the term of ten thousand (10.000) years from the date of this deed;
  - c) demise so much of the Property as is of leasehold tenure unto us for the residue of the term or respective term of years created by the lease or leases under which the Property is held less the last ten days thereof.
3. This Mortgage Deed secures further loans (that is, other loans that we make to you at a later date) but does not oblige us to make further loans.
  4. If the Property is, or includes, registered land, you apply to the Land Registry of Northern Ireland for the registration against the Property comprised in the above mentioned Folio of an inhibition to read as follows:

“Except under an order of the Court or Registrar of Titles, all dispositions by the registered owner are inhibited unless consent has been obtained from the owner for the time being of the charge on in favour of Kensington Mortgage Company Limited.”
  5. This Mortgage Deed and our agreement with you are governed by the laws of Northern Ireland.

**Warning:**

**Please note that if you sign this Mortgage Deed you will be legally bound by its terms. If this Mortgage Deed is signed by more than one borrower you will also be responsible for the others' debts and liabilities in addition to your own. If you do not pay us what you owe us when it is due or you do not comply with your obligations to us we may repossess and sell the Property.**

The witness must be over the age of 18 and cannot be a borrower, spouse, civil partner, cohabitee or an immediate family member of a borrower. Unless the witness is a solicitor, the signature of each borrower must be witnessed by two separate individuals.

You should obtain legal advice before you sign this Mortgage Deed.

**Signed and delivered as a Deed by (borrower 1):**

In the presence of:

**Witness 1**

Witness signature:

Witness name:

Witness address:

Witness occupation:

**Witness 2**

Witness signature:

Witness name:

Witness address:

Witness occupation:

**Signed and delivered as a Deed by (borrower 2):**

In the presence of:

**Witness 1**

Witness signature:

Witness name:

Witness address:

Witness occupation:

**Witness 2**

Witness signature:

Witness name:

Witness address:

Witness occupation:

**Signed and delivered as a Deed by (borrower 3):**

In the presence of:

**Witness 1**

Witness signature:

Witness name:

Witness address:

Witness occupation:

**Witness 2**

Witness signature:

Witness name:

Witness address:

Witness occupation:

**Signed and delivered as a Deed by (borrower 4):**

In the presence of:

**Witness 1**

Witness signature:

Witness name:

Witness address:

Witness occupation:

**Witness 2**

Witness signature:

Witness name:

Witness address:

Witness occupation:

# DEEDS SCHEDULE



**Kensington**

**Three copies of this form have been provided. Please retain one copy and send two copies, together with the title deeds and documents, to Kensington, Ascot House, Maidenhead Office Park, Maidenhead SL6 3QQ.**

|   |  |
|---|--|
| Dated   |  |
| Relating to Application/<br>Account Number        |  |
| Borrower(s)                                       |  |
| Property address as shown<br>in the Mortgage Deed |  |
| Folio number(s)<br>Root of title if unregistered  |  |
| County  |  |
| Date of Mortgage Deed                             |  |

**Please list separately overleaf ALL documents enclosed but please indicate with an X which of the following items are enclosed:**

|    |  |   |
|----|--|---|
| 1  |  | Land Registry Folio & Map   |
| 2  |  | Conveyance and Examined Abstract/Epitome in the case of unregistered land |
| 3  |  | Original Mortgage Deed & Certificate of Charge                            |
| 4  |  | Lease (and assignment) (if applicable)                                    |
| 5  |  | Certified copy Head lease (if applicable)                                 |
| 6  |  | Certified copy of buildings insurance                                     |
| 7  |  | Copy signed Certificate of Title  |
| 8  |  | Original Occupier's Deed of Consent (if applicable)                       |
| 9  |  | Notice of Charge to Landlords (if applicable)                             |
| 10 |  | Ground rent and service charge receipts (if applicable)                   |
| 11 |  | NHBC or similar (if applicable)   |
| 12 |  | Deed of Gift Indemnity Policy (if applicable)                             |
| 13 |  | Original Share Certificate (if applicable)                                |
| 14 |  | Original undated executed stock transfer form (if applicable)             |
| 15 |  | Original Deed of Postponement   |

**Please list overleaf all documents enclosed (including those indicated above).**

In accordance with the Law Society's recommendations, pre-registration deeds relating to properties now registered may be removed (with the Borrower's concurrence) and not be included. However, you must ensure that the root of title containing the description identifying the property, any fee farm grant, lease, transfer, conveyance or assignment containing covenants which title is subject to the observance of, and any document containing burdens which have not been noted on the folio but which existed prior to first registration and thus affect the property without registration are retained. Any such title documents must be included.

## Deeds Schedule(s)

Please list the documents in chronological order.

| Date | Description of document | Parties |
|------|-------------------------|---------|
|      |                         |         |

# OCCUPIER'S DEED OF CONSENT



Kensington

**Warning: This is an important legal document and once you have signed it you will become legally bound by its terms. We strongly recommend that you obtain independent legal advice from a solicitor before you sign this document.**

|                        |  |
|------------------------|--|
| Date                   |  |
| Lender                 | Kensington Mortgage Company Limited (Company number: 3049877) whose registered office is at Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ and its successors and assigns including any legal and/or equitable assignee of the Mortgage Deed whether by way of security only and those deriving title under it or them (the " <b>Lender</b> " or " <b>we</b> " or " <b>us</b> " or " <b>our</b> ") |
| The Borrower(s)        | of<br><br>(insert address) (the " <b>Borrower(s)</b> ")  |
| Occupier(s)            | of<br><br>(insert address) (" <b>I</b> " or " <b>me</b> " or " <b>you</b> ")   |
| The loan               | The initial advance made to the Borrower(s) (the " <b>Loan</b> ")  |
| Property               | registered at the Land Registry with Title Number(s) (the " <b>Property</b> ")   |
| Borrower's obligations | The Loan and all interest and other sums now or in the future owed by the Borrower(s) to the Lender and secured by the Mortgage (the " <b>Borrower's Obligations</b> ")  |
| The mortgage           | The mortgage on the Property securing payment by the Borrower(s) to the Lender of the Borrower's Obligations (the " <b>Mortgage</b> ")   |

**This deed is to be signed by each person (other than the Borrower(s)) aged 17 years or over who will live in the property.**

By executing this Deed, the Occupier agrees as follows:

1. I understand that the Lender has been asked to provide the Loan on the security of the Mortgage and that the Mortgage will be a continuing security for all amounts (including additional borrowings) owed to the Lender. I consent to the creation and registration of the Mortgage;
2. I am, or will be, in occupation of the Property and agree to postpone any right or interest in the Property which I may have or acquire to that of the Lender under the Mortgage;
3. I agree that I will not claim against the Lender any interest in the Property (including overriding interests or otherwise) or any right to live in the Property (whether arising from agreement, statute, common law, or otherwise) or other rights pertaining to a person in occupation of the Property and any such rights that I have now or later are released, postponed and made subject to the rights of the Lender;
4. I realise that this means that if the Lender exercises its rights to possession of the Property because the Borrower(s) has/have not complied with the Borrower's Obligations I will have no right to stay in the Property and will have to leave;
5. I agree to the Lender making the Loan and any further loans to the Borrower(s) upon the security of the Mortgage;

6. I confirm that the Lender may assign, charge or otherwise dispose of its interests in the Loan and/or the Mortgage without obtaining any further consent from me or giving me notice;
7. I agree that the Lender shall be entitled to exercise any remedies under the Mortgage or otherwise available without reference to me in priority to the Lender and so as to override any right or interest which I may have in or over the Property;
8. I agree that none of the above will be affected by the giving of time or other indulgence to or any arrangement with the Borrower or any other matter whatsoever; and
9. I confirm that, before signing this document, I was strongly advised to take independent legal advice from a solicitor of my choice and I have had a reasonable opportunity to do so.

**Note: Each witness to this deed must be over the age of 18 and cannot be a borrower, spouse, civil partner, cohabitee or an immediate family member of the borrower or occupier.**

**Occupier 1 (please tick one box to confirm)**

|  |                          |   |
|--|--------------------------|---|
| Independent legal advice has been obtained | <input type="checkbox"/> | I confirm that before signing this Deed, I obtained independent legal advice from a solicitor of my choosing and therefore understand the nature and implications of signing this Deed.   |
| Independent legal advice has been waived   | <input type="checkbox"/> | <p>I confirm that:</p> <p>a) before signing this Deed, I was strongly advised by the Lender to obtain independent legal advice from a solicitor;</p> <p>b) I have decided to waive my right to obtain independent legal advice; and</p> <p>c) I fully understand the nature and implications of signing this Deed and that choosing to waive my right to obtain independent legal advice will preclude me from claiming that I did not understand the nature and contents of this document.</p> |

**Signed and delivered as a deed by Occupier 1**

|                    |  |
|--------------------|--|
| Name (Print name)  |  |
| In the presence of |  |
| Witness signature  |  |
| Witness name       |  |
| Witness address    |  |
| Witness occupation |  |

**Occupier 2 (please tick one box to confirm)**

|  |                          |   |
|--|--------------------------|---|
| Independent legal advice has been obtained | <input type="checkbox"/> | I confirm that before signing this Deed, I obtained independent legal advice from a solicitor of my choosing and therefore understand the nature and implications of signing this Deed.   |
| Independent legal advice has been waived   | <input type="checkbox"/> | <p>I confirm that:</p> <p>a) before signing this Deed, I was strongly advised by the Lender to obtain independent legal advice from a solicitor;</p> <p>b) I have decided to waive my right to obtain independent legal advice; and</p> <p>c) I fully understand the nature and implications of signing this Deed and that choosing to waive my right to obtain independent legal advice will preclude me from claiming that I did not understand the nature and contents of this document.</p> |



**Signed and delivered as a deed by Occupier 2**

Name (Print name)

In the presence of

Witness signature

Witness name

Witness address

Witness occupation

**Occupier 3 (please tick one box to confirm)**Independent legal  
advice has been  
obtained

I confirm that before signing this Deed, I obtained independent legal advice from a solicitor of my choosing and therefore understand the nature and implications of signing this Deed.

Independent legal  
advice has been  
waived

I confirm that:

- a) before signing this Deed, I was strongly advised by the Lender to obtain independent legal advice from a solicitor;
- b) I have decided to waive my right to obtain independent legal advice; and
- c) I fully understand the nature and implications of signing this Deed and that choosing to waive my right to obtain independent legal advice will preclude me from claiming that I did not understand the nature and contents of this document.

**Signed and delivered as a deed by Occupier 3**

Name (Print name)

In the presence of

Witness signature

Witness name

Witness address

Witness occupation

# DEED OF POSTPONEMENT



**Kensington**

This Deed is made on the Date between the Existing Lender and the Company and is supplemental to the Borrower's Mortgage. All capitalised terms in this Deed have the meaning given to them in the Kensington Mortgage Conditions (Northern Ireland) 2020 Ref KMC20 (the **Conditions**) unless otherwise defined.

|  |  |
|--|--|
| <b>Date</b>  |  |
| <b>The Existing Lender</b>                                   |  |
| <b>The Company</b>   | <b>Kensington Mortgage Company Limited</b> trading as Kensington (incorporated in England and Wales with company number 3049877 and having its registered office at Ascot House, Maidenhead Office Park, Maidenhead SL6 3QQ) together with its Transferees, successors and assigns (including any legal or equitable assignee or transferee of the Mortgage, whether by way of absolute assignment or by way of security only and those deriving title under it or them) |
| <b>The Borrower</b>  |  |
| <b>Account Number</b>  |  |
| <b>The Property</b>  |  |
| <b>Folio Number(s)<br/>Root of title if<br/>unregistered</b> |  |
| <b>County</b>  |  |
| <b>The existing<br/>Lender's Mortgage</b>                    | A mortgage dated _____ over the Property granted by the Borrower to the Existing Lender  |
| <b>The Company's<br/>Mortgage</b>                            | A mortgage dated _____ over the Property granted by the Borrower to the Company  |
| <b>Priority amount</b>                                       | The amount detailed in Clause 3 of this Deed   |

**THIS DEED WITNESSES** as follows:

1. The Existing Lender agrees that the Company shall register the Company's Mortgage over the Property.
2. The Existing Lender hereby agrees to postpone the Existing Lender's Mortgage (and any other rights of the Existing Lender over the Property or the proceeds of sale thereof) to rank in priority after and take effect subject to the Company's Mortgage as continuing security for the payment to the Company of the Priority Amount, calculated both before and from the date of any demand of payment.
3. The Priority Amount is the aggregate of the following amounts:
  - a. the Loan;
  - b. all interest thereon (including any interest pursuant to the Conditions) now and from time to time owing by the Borrower to the Company under the Company's Mortgage;
  - c. all costs and Expenses from time to time incurred by the Company in accordance with the Conditions
4. The Company and the Existing Lender will hold on trust any money received pursuant to the Company's Mortgage or the Existing Lender's Mortgage respectively to give effect to the priorities declared by this deed.
5. The priority conferred by this Deed upon the Company's Mortgage and the rights and remedies of the Company thereunder shall not be prejudiced or affected by any intermediate payment or satisfaction of the whole or any part of the loan, interest thereon, or the costs and Expenses for the time being secured thereby or by any further or other security (whether direct or collateral) held from time to time by the Company in respect of such loan, interest thereon, costs and Expenses.
6. The Existing Lender hereby covenants with the Company that the Existing Lender shall not exercise or purport to exercise its power of sale or power of appointment of a receiver or any other security enforcement power conferred on the Existing Lender under or pursuant to the Existing Lender's Mortgage without giving the Company not less than fourteen days' prior notice (except in the case of an emergency).

7. The Company and the Existing Lender will apply to the Registrar for Titles to make a note of this Deed on the title to the Property at the Land Registry.
8. This deed shall be governed and construed in accordance with the laws of Northern Ireland and the parties to this deed irrevocably submit to the jurisdiction of the Courts of Northern Ireland.

**IN WITNESS** of which this Deed has been:

Executed as a deed and delivered on the Date of this Deed by the Company acting by its authorised attorney in the presence of the Witness(es)\*\* named below:

|  |  |
|--|--|
| Attorney   |  |
| Attorney (print name)  |  |
| <b>Witness 1</b>   |  |
| Witness signature:<br>Witness name:<br>Witness address:<br><br>Witness occupation: |  |
| <b>Witness 2</b>   |  |
| Witness signature:<br>Witness name:<br>Witness address:<br><br>Witness occupation: |  |

\*Existing Lender delete as appropriate

|  |  |
|--|--|
| <b>*Executed as a deed and delivered on the Date of this Deed on behalf of the Existing Lender acting by its authorised attorney in the presence of a witness/witnesses**:</b> |  |
| Attorney   |  |
| Attorney (print name)  |  |
| <b>Witness 1</b>   |  |
| Witness signature:<br>Witness name:<br>Witness address:<br><br>Witness occupation:   |  |

|  |  |
|--|--|
| <b>Witness 2</b>   |  |
| Witness signature:<br>Witness name:<br>Witness address:<br><br>Witness occupation: |  |

|   |  |
|---|--|
| <b>*Executed as a deed and delivered on the Date of this deed by the Existing Lender acting by a director in the presence of a witness/witnesses**:</b> |  |
| Director  |  |
| <b>Witness 1</b>  |  |
| Witness signature:<br>Witness name:<br>Witness address:<br><br>Witness occupation:  |  |
| <b>Witness 2</b>  |  |
| Witness signature:<br>Witness name:<br>Witness address:<br><br>Witness occupation:  |  |

\*\*Unless the witness to each signature to this Deed is a solicitor, each signature must be witnessed by two independent witnesses.

# NOTICE OF CHARGE TO LANDLORDS



Kensington

|                               |  |
|-------------------------------|--|
| To:                           |  |
| Date:                         |  |
| Mortgagor/Tenant:             | of<br>("you" or "your")  |
| Lender:                       | Kensington Mortgage Company Limited (Company number: 3049877) whose registered office is at Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ ("we" or "us" or "our") |
| Mortgage Account Number:      |  |
| Date of Assignment and Charge |  |
| Property:                     | (If registered) registered at the Land Registry with Folio Number(s)<br>County<br>(the "Property")   |

We, **HEREBY GIVE YOU NOTICE** that by a Mortgage Deed dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ the property comprised in the Lease, particulars of which are set out in the schedule below was charged to Kensington Mortgage Company Limited by way of mortgage to secure monies advances, any further advances Kensington Mortgage Company Limited make, and any related liabilities (including interest, costs and expenses) to us, your Tenant.

## Schedule – Particulars of the Lease

|          |                |
|----------|----------------|
| Date:    |                |
| Parties  | 1.<br>2.<br>3. |
| Property |                |

|         |  |
|---------|--|
| Signed: |  |
|---------|--|

For and on behalf of

|     |  |
|-----|--|
| To: |  |
|-----|--|

We hereby acknowledge receipt of your notice of which the above is a duplicate and undertake to:

1. notify the Lender of any proceedings commenced by us in respect of the Property or of our intention to exercise our rights of peaceable re-entry; and
2. endorse on our buildings insurance policy the interests of the Borrower(s) and to forward a certified copy of the policy and endorsement to the solicitors named above.

|         |  |
|---------|--|
| Signed: |  |
|---------|--|

For and on behalf of

|       |  |
|-------|--|
| Date: |  |
|-------|--|

# SOLICITORS' SUPPLEMENTAL INSTRUCTIONS



**Kensington**

**Please note that we create and trade mortgage assets and it is imperative that our mortgage is secured by a promptly registered fully enforceable first ranking legal charge over the property. Should we incur any costs to ensure our charge is correctly registered we will seek to recover these from yourselves.**

**In order to act on our behalf you must hold a current practising certificate and your firm must be managed by a minimum of three partners all of whom are registered with the Law Society of Northern Ireland as Principals in Private Practice, and be regulated by the Law Society of Northern Ireland. If your firm is managed by two or fewer partners and/or is not regulated by the Law Society of Northern Ireland, you should return these instructions immediately stating this fact.**

**Please also note that:**

1. These solicitor's supplemental instructions are supplemental to and do not detract from the generality of the instructions contained in the UK Finance Mortgage Lenders' Handbook. Please therefore ensure that you comply with the Handbook and in particular our specific requirements in Part 2.
2. In the event that you are acting for any party other than the borrower and Kensington Mortgage Company Limited (trading as Kensington or Kensington Mortgages (the "Lender") in this transaction you should immediately notify the Lender.
3. Any references to the Lender include Kensington Mortgage Company Limited trading as Kensington or Kensington Mortgages its subsidiaries, its transferees, successors and assigns (including any legal or equitable assignee or transferee of the mortgage, whether by way of absolute assignment or by way of security only) and those deriving title under it or them.
4. Any references to the 'borrower' mean all of the borrowers if there is more than one of them.
5. All terms in bold shall have the meaning given to them in the Kensington Mortgage Conditions (Northern Ireland) 2020.
6. Paragraph 1.12 of the Handbook does not apply.
7. Unless the offer says otherwise, the requirements of the Handbook and these instructions must be satisfied before we release any loan. If any of the requirements cannot be satisfied, you should report this to us so that we can consider whether to lend. If you need to notify us of or take our instructions on any matter in order to comply with our instructions, please ensure you do so before submitting your certificate of title and well in advance of the anticipated date of completion.

**Explanation to the Borrower**

8. You should explain to each borrower (and any other person signing a document, such as a guarantor) the conditions of the mortgage and their responsibilities and liabilities. In particular please ensure that they are informed that:
  - a. the fees and charges which may be charged throughout the life of the mortgage and the fact that these fees and charges may be varied over time;
  - b. any fees or charges which will be imposed on an early redemption of the mortgage;
  - c. that although the Lender does not require life cover as a condition of the mortgage, the consequences for the borrower if they choose not to take out such cover;
  - d. that if the mortgage is an interest only mortgage or any element of the mortgage is to be made on an interest only basis, that it is the borrower's responsibility to arrange for the capital repayment of the loan or that element of the debt at the end of the term and to take out life cover for the term of the loan if considered appropriate (in particular please explain that where an endowment or pension policy or other savings instrument is put in place by the borrower, the borrower must seek advice from a broker that the proceeds will be sufficient to repay the capital at the end of the mortgage term – the Lender does not provide or sell, nor hold itself out as having any expertise to advise in relation to the value, suitability or benefits on maturity of such policies or savings instruments);
  - e. that the declarations which they have made in the mortgage application are incorporated in the mortgage, and must not in any way be misleading or false;
  - f. that the valuation report has been prepared by the valuer (who is not the Lender's agent) for the Lender's use for mortgage purposes only and that neither the Lender nor the valuer are under any liability for negligence or on any basis whatsoever to the borrower in respect of the value or the state or condition of the property; and
  - g. that in accordance with clause 11.1 of the Mortgage Conditions the mortgage is security for the loan and for any other amount the borrower owes us under another agreement we have (or will have) with the borrower whilst we still have security over the property.
  - h. where the loan term goes beyond the borrower's state retirement age, that the borrower's retirement income must be sufficient to allow the borrower to afford the loan repayments for the full term of the loan.

## Buildings Insurance

9. You are required on our behalf to ensure that the buildings insurance complies with the requirements of the mortgage conditions and meets the following specific requirements:
- We require that all the following risks are covered in the insurance policy:  
fire; lightning; aircraft; explosion; earthquake; storm; flood; escape of water or oil; riot; malicious damage; theft or attempted theft; falling trees and branches and aerials; subsidence; heave; landslip; collision; accidental damage to underground services; professional fees, demolition and site clearance costs; and public liability to anyone else.
  - If the listed risks are not covered, please report to us.
  - The policy must include:
    - o the insurance policy number
    - o the sum insured
    - o the address of the insured property
    - o the start and end date of the policy (or the start date and duration of the policy)  
and be on the insurers headed paper
  - The sum insured must be greater than or equal to the reinstatement value as set out in the valuation and be index linked. If the property is not insured in accordance with our requirements you must report this to the Lender.
10. The insurance must be in place from the date of completion.
11. You should explain to each borrower their responsibilities and liabilities in relation to buildings insurance. In particular please ensure they understand that the insurance must be maintained throughout the mortgage term and that we have the right to request evidence of insurance and where this is not provided or is not adequate, we may (but are not obliged to) insure the property or our financial interest in the property. Where we do arrange such insurance we may charge the borrower for this.

## Additional Requirements in relation to Title

12. The borrower's title to the property must be absolute freehold or absolute or good leasehold or good fee farm grant title (in the case of registered land). In the case of unregistered land, the borrower's title must be a fee simple absolute in possession or a term of years absolute, a leasehold title free from any matters which reasonably be expected to materially adversely affect the value of the property or its future marketability and which, on first registration at Land Registry would be able to be registered as absolute or good leasehold title, or a fee farm grant title free from any matters which reasonably be expected to materially adversely affect the value of the property or its future marketability and which, on first registration at Land Registry would be able to be registered as absolute or good fee farm grant title. In the case of leasehold or fee farm grant title, our requirements in respect of any covenants, rights granted, restrictions and other burdens are as set out in the Handbook. Possessory title is not acceptable unless appropriate arrangements acceptable to us are made. Please contact us if the borrower's title is possessory. Qualified title is not acceptable. Please contact us if the borrower's title is qualified. The requirements of the Handbook are amended accordingly.
13. You should ensure that, where applicable, the property is acquired by the borrower(s) with the benefit of all covenants implied on a conveyance for value by a beneficial owner. In the event that the borrower will not obtain the benefit of all covenants implied on a conveyance for value by a beneficial owner, you should report this to us. The requirements of the Handbook are amended accordingly.
14. The borrower must be the absolute beneficial owner of the property and must not be purchasing it as nominee for another nor hold any part of it on trust for anyone else, nor must anyone else be given any option or other right to buy it from the borrower. The solicitor must report to the Lender at once if the borrower is not to be the absolute beneficial owner or if such an arrangement exists.
15. If the property address on the title deeds and your certificate of title is not identical to the address we have quoted on the offer please confirm that the properties are one and the same.
16. Please also confirm that (a) the property to be mortgaged to us is as described in the valuation report; and (b) that the whole of the property as valued will be mortgaged to us
17. Please note that where the property is newly built, in addition to the requirements in the Handbook, the property must be completed to the satisfaction of our valuer.
18. You should report to us immediately if the seller is a relative of the borrower.
19. For purchase transactions you must forward a copy of the contract of sale.

## Other Occupiers

20. Unless the offer is for a buy to let mortgage or second home mortgage, it is a condition that the property be used by the borrower for their own domestic residence and occupation. If you have any information which suggests that this might not be the intention of the borrower, you must report this to the Lender at once.
21. You must advise the borrower that unless the mortgage is a buy to let mortgage any letting of the property is prohibited unless the Lender consents and draw the borrower's attention to the Lender's right to increase the interest rate payable if there is any letting.
22. You must advise the borrower that the property can only be let in accordance with our letting criteria in force at that time. Our current letting criteria are set out below:
- the property must not be let to local authorities Housing Associations, the Northern Ireland Housing Executive (NIHE) or family members;
  - where the letting is to an individual or individuals in Northern Ireland the agreement must be a fixed term or periodic contract and the borrower must be a registered landlord or gives an undertaking prior to completion to apply to become a registered landlord with the Landlord Registration Scheme (Northern Ireland) (or any replacement scheme in force from time to time) within 30 days of completion; and

- letting to individuals in receipt of Housing Benefit is only acceptable where there is a suitable fixed term tenancy agreement in place.

Our letting criteria may change from time to time and a copy is available on request.

23. You must check the statutory pre-letting requirements and deposit protection rules have been adhered to where there is a current tenancy agreement in place and that all necessary documentation has been provided to the tenants as required by law. Where the property is to be let following completion you must obtain an undertaking from the borrower that they will comply with the statutory pre-letting requirements and deposit protection rules will be adhered to and that all documentation required by law to be provided to tenants will be provided.
24. If the offer is for a second home mortgage you must advise the borrower that it can only be occupied on the following basis:
  - as a holiday home or weekend residence for the use of the borrower or their family and friends;
  - as a secondary residence for the borrower or their family during the working week; or
  - by parent(s) or child(ren) of the borrower as their permanent residence
25. You must notify us if the property is a House in Multiple Occupation (HMO). You must ensure either a valid HMO licence is in place on completion or that the borrower has confirmed they will apply for a satisfactory HMO licence in relation to the Property within 30 days of completion and undertakes to provide Kensington with a copy of the application form prior to completion.
26. Where required by the mortgage offer you are required to double-check with the borrower who is or is to be in occupation of the property, and must not release the loan unless any persons aged 17 or over who are or are to be in occupation have executed an Occupier's Deed of Consent (in our prescribed form). The Occupier's Deed of Consent must be duly witnessed. You must also confirm that the occupier does not have any form of tenancy of the property. If you have any reason to doubt whether all occupants have been disclosed, then you must not complete without referring to the Lender.

### **Right to Buy / Right to Acquire**

27. Where the borrower is seeking to remortgage/purchase the property under the applicable right to buy or right to acquire legislation or scheme you must notify us that this is the case so that we can confirm whether or not this is acceptable. All persons named on the right to buy/right to acquire notice must be party to the mortgage. Persons not named on the right to buy/right to acquire notice may be party to the mortgage with our agreement, provided they receive independent legal advice.
28. You must also ensure that the borrower is using the mortgage solely for the purpose of exercising the right to buy/right to acquire or another 'approved purpose' under the legislation or relevant scheme and that you have all the evidence necessary to ensure that the mortgage will have priority over any statutory charge.
29. Where the borrower is seeking to make an early disposal of the property and/or remortgage the property during the pre-emption period and/or whilst the local authority/housing association/Northern Ireland Housing Executive (NIHE) still has a right of first refusal or a right to repayment of a discount granted on sale by the local authority/housing association/NIHE, you must confirm that the disposal is 1985 exempt from the requirement to repay any discount and from any other rights of pre-emption or first refusal which the local authority/housing association/NIHE may have.
30. You must notify us immediately where there are restrictions on the resale of the property and await our instructions.

### **Re-Mortgages**

31. The provisions of paragraphs 5.13 and 6.3 of the Handbook relating to purchase price are equally applicable where the loan from the Lender is by way of a re-mortgage, save that "purchase price" should be read as if it referred to the cost of redemption of existing charges on the property.
32. You must confirm that any party being added or removed from the title has received independent legal advice with regards to their part in the transaction or provided a signed disclaimer confirming they have declined to take independent legal advice in the form required by the Lender.

### **Leaseholds**

33. In the case of leasehold properties, in addition to the instructions in the Handbook:
  - a. the right of a mortgagee to assign the lease must not be fettered, and where a clause in the lease provides that consent to an assignment is required, the Lender must be outside the scope of the clause;
  - b. a lease which is by reason of the frequency of rent reviews or otherwise capable of being a protected tenancy at any time during its term is not acceptable security;
  - c. the lessor must covenant in the lease both that all the residential leases of the building are in common form and that the covenants of all the lessees will be enforced;
  - d. the lease must not contain any provision which might result in a substantial increase in ground rent or any provision inhibiting the payment of a premium on the assignment of the lease; and
  - e. where the property is a leasehold house the title to the head lease must be investigated and, if the borrower is the owner of the head lease and merger of the titles is not appropriate, a charge must be taken over the head lease.

### **Priority of Mortgages and Postponement**

34. There must be no arrangement for any existing charge to be postponed to the borrower's mortgage, or to be discharged and then, following completion of the borrower's mortgage, a new charge created in favour of the existing lender. Please inform us if there is any such arrangement.
35. In case, exceptionally, we agree that an existing charge may be postponed to rank after the mortgage, you must confirm that the form of the deed of postponement is acceptable and protects our interest and obtain the Lender's agreement to the postponement prior to completion. You must use the Lender's standard form deed of postponement.



## Witnessing of Documents

36. All documents must be witnessed by an independent person who is over 18. The Mortgage Deed must be witnessed either by two individual witnesses or by a solicitor witness, in accordance with the requirements of the practice directions of the Land Registry of Northern Ireland.

## Purchase from a Limited Company

37. Borrowers may purchase a property at full market value from a Limited Company of which they are a shareholder subject to the following conditions being satisfied:

- You must ensure that the relevant requirements and procedures set out in the Companies Act 2006 (particularly section 1900) are complied with prior to completion of the mortgage.
- You must comply with all professional standards regarding conflict and conduct as required by the Law Society of Northern Ireland.
- You must obtain a certificate of solvency from the vendor company and obtain a clear company search against the vendor company.
- Prior to completion you must supply written confirmation that special conditions 1-3 above have been fully complied with and provide copies of relevant board minutes and board resolutions for the vendor company.

## Sale and Rent Back

38. The Lender will not lend in any situation where sale and rent back is involved, or deal with those companies that are dealing in purchases at under value. All quasi sale and rent back schemes including but not limited to licence to occupy, sale & lease back, sell to let, exchange & delayed completion and lease options are unacceptable and must be reported to us.

## Documentation

39. Certified copies which are NOT acceptable are: Mortgage Deed, Occupier's Deed of Consent, Share Certificate, undated executed stock transfer form, and Deed of Postponement.

## Gifted Deposit

40. Where the deposit is provided via gifted deposit, solicitors to verify that the giftor providing such a gift is solvent and know of no reason by which the giftor may become insolvent.
41. Where the deposit is provided by an individual who is an appointed Director for the Applicant/Limited Company as a gift or as a loan (a "Director's Loan"), solicitors to verify that the Director providing such loan / gift is solvent and know of no reason by which the Director may become insolvent.

Where the deposit is provided by another limited company, where the company structures (ownership and directorship) are identical, making it an intercompany loan, solicitors are to verify that the director providing such loan / gift is solvent and knows of no reason by which the company and/or director may become insolvent.

## Release of Funds

42. We will need at least five working days' notice of the date of completion (or eight working days if a re-inspection is required). We will endeavour to meet the completion date provided that the required notice period is given. The Lender will not be responsible for any costs or other liability incurred as a result of delayed completion. The Lender reserves the right to charge a reasonable administration fee to cover the costs incurred if the Lender does not receive the certificate of title within the required time.
43. You may only release the funds received by you to complete the mortgage if the terms of the offer (so far as they concern any legal matters relating to the property), the administrative arrangements as to insurances and these instructions have been complied with and the matters referred to in the certificate of title are correct on completion. You must return the loan or its equivalent amount to the Lender if this is not the case.
44. You have no authority to release the funds received to complete the mortgage otherwise than to or at the direction of the borrower or the Lender. In the case of a purchase, unless the offer otherwise provides, the whole of the loan must be paid directly to the Solicitor of the vendor named in the contract of sale. Where there is more than one borrower, you must have specific instructions from each borrower as to where and to whom the loan is to be remitted.

You can call us on **0800 111 020** to request a copy of these mortgage conditions in larger print or audio.