

These Conditions apply to Your Loan. Other terms and conditions are in the Loan Security.

When reading these Conditions You will notice the use of technical and legal words that can be identified by their initial capital letter. The meanings of these special words can be found in the Definitions sections at the end of these Conditions.

The text in italics is there to assist You in understanding how Your Loan works and the obligations, duties and rights which You have. It is important to be aware that this italicised text does not form part of the document and is simply there to assist You.

You should read carefully the Offer, the Conditions, the Loan Security and the Valuation Report (if any) to ensure that You are happy with the proposed terms. By signing the Loan Security You agree that the Property becomes security for all sums that any of You owe Us as well as the Loan Advance. This may include sums that only one of You owes Us.

If You need to talk to Us about any of these Conditions or if there is anything that You do not understand then please contact Your mortgage advisor. You will find the details of Your mortgage advisor on the Illustration or Offer document that We have provided to You.

1. (A) Your Obligations

- 1.1 Joint and several liability
"You" and "Your" in the Offer and these Conditions means all of You together and each and any one or more of You separately. You are liable to Us both jointly and individually for the full amount of the Loan Advance.
- 1.2 You must comply with the terms of the Offer document, the terms of the Loan Security and these General Offer Conditions throughout the term of the Loan.
- 1.3 You must at all time keep the Property in good order and repair. If We or Our agents need to inspect the Property You will give Us access provided that We have given You reasonable notice in advance.
- 1.4 You agree that You will not create any lease or tenancy agreement in relation to the Property without first seeking Our consent - such consent not to be unreasonably withheld. We may decide to impose extra conditions if You ask Us to consent to an arrangement of this nature.
- 1.5 You agree that You will not create or permit to be created any charge over the Property without first seeking Our consent. In the case of a Danske Repay mortgage account please refer to Section 7 of these General Offer Conditions.

1. (B) Joint Accounts

Where the Offer is addressed to more than one person then We may, but are not obliged to, accept the instructions of any one of You to provide Us with any notices under these General Offer Conditions. We may also accept the instructions of any one of You to vary or amend the product described in the Offer under the heading "Main features of the Loan" including, for example, any instruction from You at the end of a Special Rate Period to convert the loan to another product from Our product range.

1. (C) Giving Us Your instructions or sending notices to Us

We may accept instructions or notices which are given by You; or any one of You (where there is more than one of You); or by a mortgage intermediary, where the mortgage intermediary firm is authorised and regulated by the Financial Conduct Authority and the mortgage intermediary is purporting to act as Your agent, in writing (which shall include typing, printing, lithography, photography and other modes of representing or reproducing words in a visible form and shall, for the avoidance of doubt, include instructions conveyed using electronic media). We may also accept instructions or notices which are given orally where there is a record of the conversation - whether a contemporaneous note or a telephone recording.

2. Secured Amount

2.1 What is meant by "All monies"

2.1.1 Investment Property Loans

This section does not apply.

2.1.2 All other Loans which are not Investment Property Loans

The Loan Security is security for:

- the Loan;

- any other loans or credit facilities where We have specifically agreed with You that the Loan Security is to be held as security for that loan or credit facility; and
- any guarantee that You have provided to the Bank or which You provide to the Bank whether now or in the future.

2.2 Release of the Loan Security

If You are repaying the Loan Advance We will not release the Loan Security unless You also pay to Us all the other money that is owing under the Loan Security - as set out under 2.1 or 2.2 above (whichever applies).

When You ask Us to, We will tell You in writing how much is needed to pay off all money owing under the Loan Security.

2.3 Our right of Set off

We may at any time combine and consolidate all of Your account and set off any moneys held on any of those accounts against all monies that You owe Us.

2.4 Our rights where You have granted Us a mortgage or charge over other property which is not included in the Loan Security

We may decide not to release the Loan Security unless You also repay the amount secured by every other mortgage or charge which You have granted to Us.

3. Duration of the Loan

The Loan is provided to You for the term set out in the Offer under the heading "Main features of Your Loan." The duration of the Loan can vary for one of the following reasons:

- If You can repay the Loan early as set out in the Offer under the heading "Early Repayment";
- If You decide to make overpayments - where You have a right to do so. This will be set out in the Offer under the heading "Flexible Features;"
- If You make Your Payment Instalments before the Instalment Date then it will cost You less and may mean that You repay the Loan before the end of the term which was agreed;

4. Interest

4.1 What interest rate applies to Your Loan

Details about the Interest Rate and other costs that apply to the Loan are set out in the Offer under the headings "Main Features of the Loan" and "Interest rate and other costs."

4.2 How interest is calculated and applied

It is important that You make your Instalment Payments in full and on the Instalment Date. If You do not do this then it may cost You more to repay Your Loan. The reason for this is that interest is calculated daily on the outstanding balance from day to day and charged to the account in arrears on each of the dates on which We usually charge interest (currently at the end of December, March, June and September in each year) and also on demand by Us for repayment of the outstanding balance and on final repayment.

Following any demand by Us for repayment of the outstanding balance, interest will continue to accrue on the amount so demanded at the same rate and in the same manner as set out above until payment in full is received by Us, even after a Court Judgement has been obtained.

4.3 Changes to Danske Bank Base Rate (UK)

Where the rate of interest You are paying is calculated by reference to Danske Bank Base Rate (UK) changes to that rate of interest can happen at any time. This is Our own interest reference rate and We make it publicly available on our Website and in Our branches. If We change this rate then We will advertise the change by publishing notices on our Website, in Our branches and in newspapers circulating in Northern Ireland. Any such change will take effect at the beginning of the day after Northern Bank Limited trading as Danske Bank announce a change in the Danske Bank Base Rate (UK). We will keep You informed about Danske Bank Base Rate (UK), and any changes to it, in Your periodic statements about Your mortgage.

4.4 Our right to vary the Danske Bank Standard Variable Rate (UK)

Where the rate of interest You are paying Danske Bank Standard Variable Rate (UK) You should be aware that these are variable rates which are set by Us. These rates are publicly available on our Website

and in Our branches. We may vary this rate at any time for any of the following reasons:

- if it is reasonable to vary the rate to reflect changes which have occurred, or which We reasonably expect to occur, in interest rates generally or in the residential mortgage market;
- to manage margins between interest rates paid to Our depositors or the providers of funds to Us, in the interests of Our business as a whole;
- to reflect changes in costs which We have incurred or in Our financial strength;
- to enable Us to harmonise, in a reasonable manner, the interest rates being paid by borrowers following any acquisition or transfer of mortgage or any take-over of, or merger with, another mortgage provider; or
- if it is reasonable to make the change following a decision or recommendation made by a court, regulatory body, Ombudsman or other official body or as a result of a change (or anticipated change) in the law or the interpretation of the law.
- We may also vary the interest rate for a reason not set out herein, but otherwise expressly notified to You in writing provided that it is a reasonable response to the underlying reason and strikes a fair balance between Our legitimate interest and Your own interests. If We do so:

any such change will take immediate effect on the date We specify in a written notice to You, or in notices in Our branches and advertisements in newspapers circulating in Northern Ireland.

Unless otherwise agreed between You and Us, where there is a Fixed Rate Loan or a Discounted Rate Loan, on the expiry of the Special Rate Period, interest must be paid on the Fixed Rate Loan or the Discounted Rate Loan at the Loan Rate as described in Section 4 of the Offer as applying for the remainder of the Duration.

4.5 Where You elect to have immediate recalculation of monthly instalments when the interest rate changes

If You have elected with Us to have the amount of the Instalment Payment recalculated when the rate of interest is varied, We shall, as soon as reasonably practicable after the rate of interest has been varied, notify You in writing of the new Instalment Payment and this will become effective from the payment date after which We have issued such notice.

If You do not elect to have the monthly payment recalculated immediately then, in the event of any interest rate increases, it may cost You more to repay Your Loan for the reason set out in Section 4.2 of these General Offer Conditions

5. Fees and Charges – Changes in Fees and Charges

When You receive Your Offer We will provide You with a document called "Tariff of Mortgage Charges". This sets out the fees and charges which apply to Our mortgages. The tariff is also available on Our Website at danskebank.co.uk/tariffmortgagecharges

Where a fee or charge is expressed as the current fee or expressed as variable this means that it can be changed by Us. We can change these fees and charges at any time for any of the following reasons:

- where it is reasonable to do so to reflect changes in the administrative costs which have been incurred in relation to the service for which the fee or charge is paid;
- if it is reasonable to make the change following a decision or recommendation made by a court, regulatory body, Ombudsman or other official body or as a result of a change (or anticipated change) in the law or the interpretation of the law.

Any such change will take immediate effect on the date We specify in a written notice to You, or in notices in Our branches and advertisements in newspapers circulating in Northern Ireland. We may also change the fees and charges for any other valid reason provided always that We will tell You that the change is made in accordance with this specific provision and the reason We are making

the change in the notice We are sending You. We will give You personal notice of any such change before the change takes effect or as soon as reasonably practicable after such change is to take effect and You may end the mortgage contract within 60 days of receiving the personal notice (or where there is a Special Rate Period – at the end of that Special Rate Period) without having to pay the increase in any such fee or charge.

6. Investment Property Loan

This section does not apply.

7. Danske Repay Mortgage

This Section does not apply

8. Self Build Home Loan

If Your Loan is a Self Build Home Loan then the following terms will apply:

- You can drawdown the Loan by way of stage payments. You cannot make any further drawdowns after the date that the Loan expires (the Loan Duration date);
- We reserve the right to prevent the drawdown of any stage payment if there has been a material change to Your circumstances. This could apply, for example, if there is a material change to Your ability to afford the Loan or material changes affecting the condition, value or title to the Property;
- The Loan will commence on the date of the first drawdown or on the date that We advise You in writing, whichever is earlier. We may commence the Loan before You make any drawdowns;
- The interest that You will pay will be calculated on the outstanding balance on Your Loan.
- At the Loan Duration date the Loan is immediately repayable. You can apply to convert the Loan to a Residential Home Loan or in certain circumstances You can apply for the Loan Duration to be extended.

9. Foreign Currency Loans

This section does not apply.

10. Incentive Schemes

We have a number of Incentive Schemes as set out below. Please note that You are only entitled to participate in an Incentive Scheme and obtain the benefits of any Scheme if you have completed a mortgage application and received an illustration and We make an Offer of Loan for a residential mortgage and You drawdown the Loan on or before the date that the Offer expires. The Incentive Scheme (if applicable) will be paid to You once the Loan is drawdown unless otherwise specified.

If an Incentive Scheme applies to Your Offer this will be stated in the Offer under the heading "Flexible Features."

(a) Cashback Incentive

In order to qualify for our Cashback Incentive Scheme You must meet one of the following criteria:

- You have not purchased a property previously
- You are a residential mortgage customer who is moving home

The Cashback Incentive Scheme entitles You to the following:

- The Cashback amount stated in the Offer under the heading "Flexible Features" at the date the loan is drawdown

(b) Remortgage Incentive

In order to qualify for the Remortgage Incentive Scheme You must meet all of the following eligibility criteria:

- Your Loan is for an amount of £30,000 or more;
- Your Loan is a residential home loan;
- Your Loan is currently with another financial provider and you are remortgaging it to Us and not moving house.

The Remortgage Incentive Scheme entitles You to the following:

1. If We require a Valuation to be carried out as a precondition to granting You the Loan, We will pay the Valuation Fee. We will instruct

one of Our panel valuers to carry out a standard professional valuation for this purpose. You will not have to repay the Valuation Fee to Us unless We have issued You with a Binding Offer and You then inform Us that You do not wish to proceed. If the property is located outside Northern Ireland then the most that We will pay under the Re-mortgage Incentive in respect of Valuation Fees is £600 and We will ask You to pay any excess that the valuer charges Us.

2. The rate of interest that will apply to the Loan will be set out in Section 4 of the Mortgage Illustration.

3. We will give You the amount of “cashback” which is stated in Your Mortgage Illustration under the heading “Flexible Features”. For the avoidance of doubt the cashback referred to here is an intrinsic part of the Remortgage Incentive Scheme and is not the same as the Cashback Incentive. We will ask You to inform the solicitor that We instruct under 4 below of the Sort Code and Account Number for the account that You wish the solicitor to make the cashback payment to. It is important that You check this information carefully before providing it to the solicitor. If there is an error in either the Sort Code or Account Number that You provide then the cashback may be paid into the wrong account and You may not be able to get it back.

4. You are required to provide Us with a first legal charge over the Property offered as Security. We will instruct a solicitor of Our choice to prepare the first legal charge and We will pass details of Your Mortgage to that firm so that they can prepare and register Our charge and attend to the release (and registration of the release) of the charge granted in favour of Your current lender. The solicitor that We instruct will not be acting for You and will not owe You any duty of care. You will need to consider whether You wish to seek independent legal advice in relation to the terms of the legal charge. You will have to pay Your own solicitor's legal fees.

4.1 We will pay Our solicitor's legal fees in relation to the preparation and registration of the charge and associated legal work. If any additional legal work is required (e.g. if there has been a change in the ownership of the premises or if a Deed of Consent and Postponement is required to be signed by any third parties) then You will be responsible for any additional legal fees and the solicitor that We have instructed will provide You with information regarding this.

4.2 If You are a participant in a shared ownership scheme such as Northern Ireland Co-Ownership Housing Association Limited (“Co-Ownership”) and You are purchasing the shared ownership scheme's full equity interest in the Property then additional fees will apply and You will be responsible for discharging these additional fees. In these circumstances, You will also be required to obtain independent legal advice and the solicitor that We have instructed will provide You with information regarding this.

(c) Product Fee Incentive

If You are a Danske Prestige, Danske Choice Plus or Danske Freedom current account customer, You are entitled to a discounted product fee when taking out one of Our residential mortgages. The discount is currently £300 and may change. Whether We grant You this benefit depends on You meeting the following conditions:

- You must agree to use Your Danske Prestige, Danske Choice Plus or Danske Freedom account as Your main current account. For example, We would expect You to have Your salary paid into this account.
- If You have a Danske Choice Plus or Danske Prestige current account, You must agree to keep this current account for at least three years from the date of the Offer.

If You are a Danske Prestige or Danske Choice Plus customer and fail to continue to meet the above conditions after You take out a residential mortgage, You will need to repay Us this benefit as follows (this is known as ‘clawback’)

Year	% of product fee discount to repay
1	100%
2	75%
3	50%

11. Payments

You must make each Instalment Payment to Us on each Instalment Date without deducting any sum or claiming any sums back.

11.1 Making regular overpayments

- You may at any time, except when a Fixed Rate applies to the Loan Amount, increase the amount of the Instalment Payment by notifying Us in writing of the amount which You wish to pay. Our contact details are on Our Website or you can speak to Us

at one of Our branches. We will then determine that increased amount as the Instalment Payment and notify You in writing. The Loan Duration date will not be amended. This means that

- if, there is any subsequent recalculation of Your Instalment Payment (e.g. as a result of an interest rate change) then that Instalment Payment will be calculated by reference to the Loan Duration date set out in Your Offer. If You want to continue to make overpayments after any such recalculation is advised to You then You must notify Us each time via the contact details noted on Our Website or speak to Us at one of Our branches;
- If there is no subsequent recalculation of Your Instalment Payment then You will have repaid Your Loan Amount before the original Loan Duration date;
- if You subsequently wish to decrease Your Instalment Payments then We will allow You to do this provided that the original Loan Duration is not exceeded. We will advise You in writing of the revised Instalment Amount;

11.2 Making lump sum overpayments

- When a Fixed Rate does not apply to the Loan Amount, You may ask Us to accept a lump sum overpayment. We will credit the lump sum to Your Loan and You can then elect to reduce the Loan Duration (“the Revised Duration date”). You can make any such request with Us via the contact details listed on Our Website or you can speak to Us at one of our branches. Any such request must be in writing. If We agree to Your request We will advise You of any change to the Instalment Amount. The Loan Duration date as set out in Your Offer will not be amended on our system. This means that
- if there is any subsequent recalculation of Your Instalment Payment (e.g. as a result of an interest rate change) then that Instalment Payment will be recalculated by reference to the Loan Duration date set out in Your Offer. If an increased Instalment Amount is required to repay the Loan by the Loan Duration date set out in Your Offer then We will advise You of the increased Instalment Amount that is required. If a decreased Instalment Amount would be required to repay the Loan by the Loan Duration date set out in the Offer then We will not change Your Instalment Amount;
- If following any recalculation of Your Instalment Payment You still wish to repay Your Loan by the Revised Duration date You must notify Us each time via the contact details noted on Our Website or speak to Us at one of Our branches and We will advise You of any change required to Your Instalment Amount;
- If there is no subsequent recalculation of Your Instalment Amount after We agree to a request for a Revised Duration date then You will repay Your Loan on the Revised Duration date.

11.3 Overpay (making a lump sum repayment during the Fixed Rate period)

- When a Fixed Rate applies to the Loan Amount, You can make a lump sum overpayment without incurring an Early Repayment Charge as set out under the heading “Early Repayment” in Your Offer, provided this overpayment:
 - Is a maximum of 10% of the outstanding balance of Your Loan;
 - Is made by way of a one off lump sum overpayment; and
 - Is made once during any calendar year being the period from 1 January to 31 December.
- Once We receive the lump sum overpayment, the outstanding Loan balance and the amount of interest payable will be reduced immediately. There will be no changes made to the Loan Duration date, the Fixed Rate or the amount of the Instalment Payment during the Fixed Rate period. You will not be able to change the Loan Duration date until the end of the Fixed Rate period.
- At the end of the Fixed Rate, we will recalculate the Instalment Amount based on the outstanding Loan balance and the remaining Loan Duration. The Loan Duration date will not be reduced automatically. If you elect to reduce the Loan Duration date, as set out in Your Offer, you should contact us. Further details about electing to change the Loan Duration date can be found in Section 11.2 above.

In all other cases, the Early Repayment Charges referred to in Section 12 of these General Offer Conditions will apply to any additional lump sum overpayment.

All payments (except when You are repaying the full Loan Advance) must be made to Your account in a manner that We approve.

We reserve the right to ensure that any part of any payment You make shall not be treated as a repayment of principal until (i) all taxes levied by law and (ii) all interest and costs and charges due or accrued at the time of the repayment under these Conditions or the Loan security have been paid.

You must pay the Loan Advance in full at the end of the Loan Duration.

12. Repayment Early

12.1 If You are repaying either (i) the entire Loan Advance before the end of the Loan Duration or (ii) any part of the Loan before the end of the Loan Duration, in addition to any Early Repayment Charges set out under the heading "Early Repayment" in Your Offer You must also pay:

- all interest up to the day You make such repayments; and
- the current Exit Charge, as detailed under the heading "Early Repayment" in the Offer.

12.2 Moving Property

- (a) If You repay Your Loan before the expiry of any Special Rate Period and We agree to grant You a new loan secured by Your new residential mortgage property and which is due to commence on the date that Your Loan is repaid, then We will not apply any Early Repayment Charge.
- (b) If You repay Your Loan before the expiry of any Special Rate Period and We agree to grant You a new loan secured by Your new residential mortgage property and which is not due to commence on the date that Your Loan is repaid, you will be required to pay, in full, an Early Repayment Charge.
- If you drawdown Your new loan within 180 calendar days of the date of the new offer document, We will refund the Early Repayment Charge directly to Your solicitor with the new loan.
 - If Your new offer document is withdrawn or for any other reason Your new loan does not drawdown within 180 calendar days of the date of the new offer document We will not refund the Early Repayment Charge You have paid to Us.

We will allow You to avail of the Special Rate on the new loan until the date that the Special Rate Period would have ended. The new loan must be equal to the outstanding amount on the Loan which is being repaid. If You need to borrow more money, then You would have to apply for an additional loan at the same time –subject to such terms and conditions as we may determine at that time. All lending is subject to assessment of affordability and eligibility criteria.

13. Life Assurance

You should be aware that if life cover is not in place at the time of Your death We may rely on the sale of the Property to repay the Loan Advance.

14. Events causing repayment

We may demand repayment of the entire loan from You. If We do this then You must repay Us the full amount outstanding when You receive the demand for repayment. We will only exercise Our rights under this clause in the following circumstances:

- (a) the Loan has been obtained as a result of fraud;
- (b) the application for the Loan contained information on which We based Our lending decision that was untrue or misleading;
- (c) You are in breach of any material obligation under these General Offer Conditions, the Offer or the terms and conditions of the Loan Security that You have given to Us and You have failed to remedy the breach within a reasonable time of Us requesting You to do so;
- (d) the Loan Security is not registered or it is not registered as a first legal charge (where that is a requirement of the Offer) and You have failed to cooperate with Us to rectify the position;
- (e) the Property, or part of it, has been or will be acquired under any compulsory purchase order issued by a local authority, highways authority or any other authority that is empowered to issue such an order;
- (f) any substantial building forming part of the Property is demolished or damaged to the extent that the value of the property is reduced;
- (g) You are adjudicated bankrupt or become insolvent or enter into any arrangement with Your creditors;

- (h) You sell or create a further interest (such as a lease or trust) in the Property, unless We have consented in writing to You doing this;

Our rights against You under this Offer or the Loan Security shall not be affected or reduced if We delay enforcing all or any of Our rights under this Offer or the Loan Security against You or against anyone else.

15. Notices and Miscellaneous

Any provision as to the giving of notices in the Loan Security will apply equally for the purpose of the Offer. Each of the provisions of the Offer is separate and distinct from the others and if at any time and for any reason any of the provisions of the Offer becomes unenforceable the other provisions will not be affected. The agreement contained in the Offer is governed by the law of the country which is stated in the Offer.

16. Our right to transfer Your Loan and any Loan Security

We may assign, novate or transfer Your Loan and/or Our rights under the Loan and the Loan Security to any party which We may determine. If We do this We will write to You personally to let You know. We may require You to execute all documents which We may reasonably require You to in order to give effect to any such assignment, novation or transfer.

WARNING

When You take out a mortgage You are borrowing against the value of Your home. When You come to sell Your home You will need to use the sale's proceeds to repay Your outstanding mortgage balance. Be aware that if the value of Your home falls below the balance of Your mortgage, then You will have to pay Us the difference if You want to sell Your home.

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

Definitions

In the Offer and these Conditions, the following terms shall have the following meanings:

Discounted Rate shall mean in respect of any Discounted Rate Loan, the Loan Rate less the percentage rate referred to after the words "with discount of" in the Offer for that Discounted Rate Loan.

Discounted Rate Loan shall mean any Loan Amount where in the Offer the interest payment type for that Loan is shown as "Discounted Rate".

Duration shall mean the period, commencing on the date the Loan Amount is advanced to You, and ending on the date on which any Loan Amount is intended to be repaid as mentioned in the Offer.

Exit Charge shall mean in respect of any Loan Amount the charges referred to as such in the Offer.

Fixed Rate shall mean, where there is a Fixed Rate Loan, the percentage rate referred to as Fixed Rate in the Offer.

Fixed Rate Loan shall mean any Loan Amount where in the Offer the interest payment type for that Loan Amount is shown as "Interest Rate Fixed for the part of the term".

General Offer Conditions and **Conditions** shall mean these General Offer Conditions

Higher Rate shall mean Two per cent (2%) per annum above the Loan Rate.

Instalment Date shall mean the date on which each Instalment Payment is to be made in respect of the Loan Amount which shall occur monthly or at such lesser intervals as is shown in the Offer.

Instalment Payment shall mean the sums referred to under the heading "Amount of Each Instalment" in the Offer

Interest Only Mortgage shall mean a mortgage which is described as an Interest Only Mortgage in Your Offer.

Loan Advance shall mean the amount set out under the heading "Main features of the Loan" in the Offer together with interest and other fees and charges which You owe Us under the terms of the Offer.

Loan Amount or Loan or Facility shall mean an individual loan made by Us to You as detailed under the heading "Main features of the Loan" in the Offer.

Loan Details shall mean the Offer and these Conditions.

Loan Duration shall mean the period set out under the heading "Main features of the Loan" in the Offer

Loan Rate shall mean, the interest rate or rates described in the Offer which for the time being apply to a Loan Amount.

Loan Security shall mean the Legal Mortgage or Charge (or, in Scotland, the Standard Security) over the Property which You are to sign or already have signed in Our favour to secure payment to Us of the Loan Advance and any other documents which supplement the Legal Mortgage or Charge (or, in Scotland, the Standard Security).

Offer shall mean each Offer of a Loan Advance in which these Conditions are incorporated and includes these Conditions.

Property shall mean the property described in the Offer as "Property offered as Security".

Special Rate shall mean a Fixed Rate or a Discounted Rate

Special Rate Period shall mean in the case of a Fixed Rate or Discounted Rate Loan that period commencing on the date the Loan Amount is paid to You and ending at the close of business on the date when the Fixed Rate or Discounted Rate (as the case may be) no longer applies. Details are set out in the Offer under the heading "Interest rate and other costs"

Valuation Report shall mean the report on Valuation (if any), carried out for Us as part of Our investigations into the acceptability of the Property as security for the Loan Advance.

"We", "Us", "Our" or "the Bank" means (1) Northern Bank Limited having its registered office address at Donegall Square West, Belfast (registered number R568). Danske Bank is a trading name of Northern Bank Limited and (2) any other person that has the benefit of the Loan Security or the Loan Advance or any part of Our interest in either or both of these at any time.

Business Day shall mean each Monday, Tuesday, Wednesday, Thursday, Friday so long as it is not a bank or public holiday in Northern Ireland.

"You", "Your" and "Yours" shall mean the person to whom the Offer is made and includes Your executors and personal representatives and anyone claiming any right of interest from or through You.

Interpretation

In these Conditions:

- references to any gender include references to the other gender;
- references to the singular include references to the plural and the other way round;
- the headings in these Conditions are for information only and do not affect their meaning;
- the italicised text in these Conditions are for information only and do not affect the meaning of these Conditions;
- to the extent that these Conditions are inconsistent with the terms of the Loan Security and notwithstanding any provision of these Conditions to the contrary, the Loan Security shall prevail.

Home Loan Explanations document
Important – please read

The following explanations give you some the key details about the proposed home loan.

We have shaded in grey those parts of these Explanations that do not apply where we have provided you with an illustration for a product transfer. In the case of a product transfer we vary your contract - this means that we will not drawdown a new loan but we will vary the terms of your existing loan

➤ **Joint accounts**

Where there is more than one person named on the mortgage offer then all of You together and each and any one or more of You separately. is liable to Us both jointly and individually for the full amount of the Loan Advance.

Unless you have advised us otherwise, we may act upon an instruction which is given by any one of the joint account holders.

➤ **Giving us instructions including giving us notices**

We may accept notices from you or instructions from you to vary or change your mortgage (including changing the product type that you have chosen). We may accept any such instructions from you where the instruction are given in any of the following ways:

- by writing which includes sending us a letter;
- by using any form of electronic media which includes secure mail, or filling in a form on our website;
- by telephone – where we have recorded the conversation or made a contemporaneous record of the conversation (that is a record taken at the same time as the telephone conversation) ;
- orally – where we have made a contemporaneous record of the conversation; or
- by instructions conveyed to us by a mortgage intermediary – where the mortgage intermediary firm is authorised and regulated by the Financial Conduct Authority and the mortgage intermediary has told us that he/she is representing or advising you.

Where the account is a joint account then, unless you have advised us otherwise, we may act upon an instruction which is given, in one of the ways set out above, by any one of the joint account holders.

In each case we can still require that you give us your instructions in a particular form.

➤ **What is the minimum value of the property required to borrow the illustrated amount?**

This calculation is based on the amount of the loan and product chosen. This is the minimum value at which the property can be valued in order to avail of the rate illustrated in the application.

The Mortgage Illustration you received may not have detailed the minimum value of the property required to borrow the illustrated amount but instead set out the maximum available loan amount relative to the value of the property, expressed as a loan to value ratio, in order to avail of the rate illustrated in the application.

This is not an affordability calculation.

Details can be found in the section “Interest rate and other costs” in the Mortgage Illustration or the Product Transfer Illustration (whichever applies).

➤ **What is the Annual Percentage Rate of Charge?**

The Annual Percentage Rate of Charge (APRC) is the total cost of credit the loan expressed as an annual percentage of the total amount of the loan, including certain costs. The APRC is provided to help you compare different offers.

The following fees have been estimated and are included in the calculation:

- Product Fee (payable to us at the drawdown of the mortgage). This is the fee that we charge you to set up the mortgage.
- Valuation Fee (payable by you to the professional valuer when you instruct him). This is the cost of obtaining a mortgage valuation over the property that is being offered as security to the Bank. The valuation fee is non-refundable. This fee only covers the cost of a mortgage valuation report. It is not a survey report and is prepared solely for the benefit of the Bank. If you require a full survey report then you will have to request that yourself and the valuer will provide you with an estimate of the likely fee.
- Vacate Mortgage Fee (payable to us when we execute the vacate of the mortgage deed). The fee quoted is the current fee and is subject to change. Further information can be found in our 'Tariff of Mortgage Charges' leaflet.
- Deeds Release Fee (payable to us when we release your title deeds to your solicitor). The fee quoted is the current fee and is subject to change. Further information can be found in our 'Tariff of Mortgage Charges' leaflet.
- Broker Advice Fee (if applicable, payable to your broker).

The following fees will need to be paid but have not been included in the calculation:

- Fee to register the mortgage.
- Professional Fee to your Solicitor

Details of the amount of the estimated fees applied to APRC calculation can be found in Section 4 of the Mortgage Illustration or the Product Transfer Illustration (whichever applies).

➤ **In section 3 of my Fixed Rate Mortgage Offer why does it say “Because your loan is a variable interest rate loan...” when talking about the APRC?**

This is because after the initial Fixed Rate period your mortgage reverts to the Danske Follow-on Rate which is a variable rate.

➤ **The Flexible Features section of my Fixed Rate Mortgage Offer refers to Overpay? What does this mean?**

During your Fixed Rate period you can make Overpayments up to certain amounts without incurring Early Repayment Charges. Your Mortgage Offer will set out the conditions that apply to Overpayments. If you make Overpayments during your Fixed Rate period it will immediately reduce the outstanding balance and interest payable on your mortgage. Making Overpayments will not automatically reduce the term of your mortgage. Please contact us if you want to make an Overpayment.

➤ **What is the Interest Rate increase assumption used to calculate the Annual Percentage Rate of Charge?**

This is the highest that the Bank of England Bank Rate has been for the last 20 years.

Details can be found in the section “Amount of each instalment” of the Mortgage Illustration or the Product Transfer Illustration (whichever applies). Text starts ‘The interest rate on this loan can change...’

➤ **Can I add the product fee to the amount of the loan?**

If you wish you can add your product fee to the amount of your loan.

By adding the fee to the loan the fee becomes part of the loan and as such you will pay additional interest over the term of the borrowing. This means that it will cost you more.

Note: product fee is sometimes referred to as 'arrangement fee'.

➤ **Recalculation of Interest**

You have been given the option of payment review on interest rate change or on an annual basis. The option you have selected is detailed at the start of the Offer document.

➤ **Is the loan portable?**

You do not have the right to port or transfer your loan to another lender or property. If your new loan is for the amount outstanding on your existing loan then we will allow you to continue to avail of any Special Rate terms but these will apply to the new loan. If your new loan is for a greater amount then we may offer you a separate loan for the additional amount. All lending is subject to the Bank's lending, affordability and eligibility criteria.

➤ **When will my new repayment be effective from? (This only applies where you have received a Product Transfer Offer)**

If the 'Switch Date' is within 19 days of your next repayment, the interest rate applicable to your loan will still change to the rate stated on your product transfer offer letter on the 'Switch Date' but the repayments will not change until the following month. We will send you further information about this after the Switch Date.

➤ **What happens if I cannot make the required repayments when they fall due?**

If you do not make the required repayments when they fall due we may demand repayment of the full amount outstanding on the loan and this may mean that you will incur further interest and costs. We may also pass information to credit reference agencies which may impact on your ability to take out further loans. As a last resort, your home may be repossessed if you continue to default on repayments. If you have difficulties in making your monthly repayments at any stage during the loan, please contact the Bank immediately to explore possible solutions.

➤ **Binding Offer**

This section does not apply to a Product Transfer

The Bank will make a conditional Mortgage Offer to you but when any conditions precedent set out in Annex 1 to the conditional Mortgage Offer are satisfied, the Bank will send out a binding Offer letter.

This means that the Mortgage Offer is no longer conditional and is binding on the Bank and can only be withdrawn by the Bank if there is a material change to the facts and circumstances relating to the Mortgage Offer which occurs after the date of the Binding Offer letter.

What are examples of a material change?

Examples of a material change are set out below:

(1) Material changes to Your ability to afford the loan such as :

- Your income falls or your outgoings increase. For example, you lose your job, there is a reduction in your working hours or you apply for further borrowing which is to be secured on the property;

- You are subject to personal insolvency proceedings such as you have a petition presented for your bankruptcy;
 - You separate from your partner or commence divorce proceedings;
 - There is a significant detrimental change in the state of your health which has an impact on your ability to afford the loan.
- (2) Material changes affecting the condition, value or title to the property:
- There is a change to the condition, value or title to the property or we revalue the property after the date of this binding offer and such change or the revaluation has a material impact on the suitability of the property as security for the loan.
- You should note that as part of the steps we undertake prior to transferring the amount of the loan to you or your solicitor we require your solicitor:
- a) to carry out certain checks in relation to the title of the property; and
 - b) to confirm that any adult occupiers in the property who are not also borrowers have agreed to postpone any interest they have in the property to us.

Once these checks are completed, your solicitor will confirm this to us and provide us with a certificate of title document, which confirms who owns the property and details of the transaction. We may withdraw the Mortgage Offer if your solicitor tells us that he cannot provide us with a clear certificate of title; any adult occupier has not agreed to postpone their interest or the solicitor cannot comply with our instructions in relation to the property.

- (3) Material changes to the information that you have provided to us:
We discover that you have intentionally:
- provided us with untrue, inaccurate or incomplete information as part of your application for the loan and we have used this information in deciding whether to provide the offer to you; or
 - withheld information which we have requested from you as part of your application for the loan and had we been aware of the relevant information we would not have provided the offer to you.
- (4) Material changes to our regulated status:
- We are no longer permitted to lend the money to you due to our regulator removing or restricting our permission to lend.

➤ **Reflection Period (Not applicable to investment property loans)**

➤ This section does not apply to a Product Transfer

The binding Offer letter is the starting point for a requirement for you to have a seven day period to reflect upon the Mortgage Offer. The purpose of this reflection period is to provide you with sufficient time to compare offers, assess their implications and make an informed decision before you ask us to drawdown the loan.

After the 7 day reflection period has elapsed, the Mortgage Offer will remain binding upon the Bank until 180 days after the date of the Mortgage Offer. You can ask us to drawdown the loan before the expiry of the 7 day reflection period in accordance with the instructions set out in the binding Offer letter. If you do so we will treat your request as confirmation that you have chosen to proceed without waiting until the end of the reflection period. This means that you have decided that you do not need any further time to reflect and you wish to end the reflection period before the 7 days would have elapsed.

Danske Bank Tariff of Mortgage Charges

Danske Bank is closely involved in the mortgage industry's initiative with the Council of Mortgage Lenders and Which? to make our fees and charges easy for you to understand. Our tariff of charges fully reflects the initiative's good practice principles. This same document is being used across the industry to help customers compare mortgages.

When looking at the fees that other firms charge, you may notice some that don't appear in our tariff (below). This means we either don't offer this service or charge you these fees.

Correct as at 7th November 2019.

WHEN YOU WILL PAY THIS CHARGE

Before your first monthly payment

These are the fees and charges you may have to pay before we transfer your mortgage funds.

Name of charge	What this charge is for	How much is the charge?														
Funds transfer fee	Electronically transferring the mortgage funds to you or your solicitor.	Free of charge.														
Legal fee	You will normally instruct a solicitor to act on your behalf in connection with your home purchase transaction. You may be required to pay their legal fees and costs as part of their work on your behalf. These fees / costs are normally charged by the solicitor, directly to you unless we tell you that we will contribute to the legal costs as part of your product deal.	These fees/costs are charged by the solicitor directly to you and vary from application to application.														
Product fee	This is charged on some mortgages as part of the deal. It can be paid upfront or added to the total mortgage amount. If you add it to your mortgage, you'll pay interest on it at the same rate as the rest of your borrowing. It might be a flat fee, or a percentage of the loan amount.	This varies by product. Please refer to your Loan Offer for the fee charged or to our specific products on sale for the fee applicable.														
Re-inspection fee	If your mortgage is released in stages and you're using it to renovate your home, this covers the new valuation we need to do after the work's carried out.	Re-inspection fee - £50														
Valuation fee	The lender's valuation report, which is used to calculate how much it will lend you. In certain circumstances we may require a Re-inspection or Drive By valuation. This is separate from any valuation or survey of the property you might want to commission. There are other homebuyers or structural survey options available to you at a cost and there may be different approaches in different parts of the UK. Some mortgages offer free valuations - the product details for your mortgage will tell you if this is the case. Please note that these fees are based on properties in Northern Ireland. For valuation fees on properties in mainland UK, please speak to an adviser.	The following fee's will apply depending on the property value: <table border="1"> <thead> <tr> <th>Property Value</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>Up to £150,000</td> <td>£175</td> </tr> <tr> <td>£150,001 to £300,000</td> <td>£225</td> </tr> <tr> <td>£300,001 to £500,000</td> <td>£295</td> </tr> <tr> <td>Over £500,000</td> <td>£600</td> </tr> <tr> <td>Re-inspection</td> <td>£50</td> </tr> <tr> <td>Drive By</td> <td>£50</td> </tr> </tbody> </table>	Property Value	Fee	Up to £150,000	£175	£150,001 to £300,000	£225	£300,001 to £500,000	£295	Over £500,000	£600	Re-inspection	£50	Drive By	£50
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Over £500,000	£600															
Re-inspection	£50															
Drive By	£50															

If you ask us for extra documentation and / or services beyond the standard management of your account

Name of charge	What this charge is for	How much is the charge?
Duplicate / interim statement fee	Requesting a copy of a previous mortgage statement or an interim statement of your account as it stands. It might be paid by you or another lender.	Duplicate statement - £3 for each statement. One off statement/branch printout - £3 for each statement.
Request for legal documentation fee	Any original documents relating to your mortgage, e.g. title deeds, that you ask for.	Inspection fee - £30

Duplicate request for certificate of interest paid (for each year) fee	Requesting a copy of a previously issued certificate of interest paid.	Free of charge
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IF YOU CHANGE YOUR MORTGAGE

NB If you change to a new mortgage product, the 'before your first monthly payment' fees may also apply at this stage.

Name of charge	What this charge is for	How much is the charge?
Early repayment charge (changing your mortgage)	You may have to pay this if: <ul style="list-style-type: none"> You overpay more than your mortgage terms allow; You switch mortgage product or lender during a special rate period (e.g. while you're on a fixed or tracker interest rate). 	The fee is a percentage of your remaining balance. Please refer to your Loan Offer for further details.
Change of term fee	Extending or reducing the remaining term of your mortgage.	Normal product fees apply, this varies by product. Please refer to your Loan Offer for the fee charged or to our specific products on sale for the fee applicable.
Change of repayment method fee	Transferring all or part of your mortgage from an interest-only to repayment basis.	Free of charge
Change of parties administration fee	Our administrative costs of adding or removing someone (a 'party') from the mortgage.	Normal product fees apply, this varies by product. Please refer to your Loan Offer for the fee charged or to our specific products on sale for the fee applicable.

If you are unable to pay your mortgage

These are the most common charges you may have to pay if you fail to keep up with your mortgage payments. Some charges, for example those covering unpaid / returned direct debits or cheques, occur at the early stages of your inability to pay (arrears). Other charges, for example, relating to our repossession of the property, may apply later in the process and will be dependent on your circumstances.

Name of charge	What this charge is for	How much is the charge?
Unpaid / returned direct debit or cheque	Payable on your Danske Bank mortgage servicing account when your nominated bank rejects a direct debit collection, or your payment by cheque is returned unpaid by your bank, due to lack of funds. This only applies where your servicing account is one of our current accounts.	£7.50

Ending your mortgage term

Name of charge	What this charge is for	How much is the charge?
Early repayment charge (ending your mortgage)	You may be charged this if you repay your mortgage in full before the mortgage term ends.	Where applicable, this fee is a percentage of your remaining balance. Please refer to your Loan Offer for further details.
Mortgage exit fee	<p>You may have to pay this if:</p> <ul style="list-style-type: none">Your mortgage term comes to an end;You transfer the loan to another lender; orTransfer borrowing from one property to another. <p>This is payable either at the end of the mortgage term, or before the end of your mortgage term if you transfer the loan to another lender or another property (known as 'redemption').</p> <p>You may be charged a separate fee by your solicitor or licensed or qualified conveyancer for their work relating to redemption of the mortgage and discharge of the security.</p>	<p>Deeds release fee - £75</p> <p>Vacate Mortgage fee - £50</p>

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE