



# Mortgage Facility Terms

[www.sc.com/bn](http://www.sc.com/bn)

Copyright © May 2022 Standard Chartered Bank (Brunei Branch) | Registration Number RFC00000061. All rights reserved.  
Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18.

# Contents

<b>Part A - Getting started</b>	<b>1</b>	<b>Part C - Mortgage overdrafts</b>	<b>5</b>
1 Our mortgage facilities	1	14 Using your mortgage overdraft	5
2 Application	1	15 Exceeding your mortgage overdraft limit	5
3 Banking Facility Letter	1	16 Interest, fees and charges	5
4 Pre-conditions to use	1	17 When you must repay in full	5
5 Your limit	1	18 Conversion	5
6 Conversion	1	19 Review, cancellation, termination, suspension	6
7 Continuance of your facility	1		
<b>Part B - Home Loans</b>	<b>2</b>	<b>Part D - Meaning of words</b>	<b>7</b>
8 Funding	2	20 Meaning of words	7
9 Interest, fees and charges	2		
10 Facility term	2		
11 Repayment	3		
12 Prepayment	3		
13 Review, cancellation, termination, suspension	4		

## Important notice

### You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with mortgage facilities. **You must read it in conjunction with our Banking Facility Letter, our Customer Terms and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Customer Terms, these terms prevail and if there is any inconsistency between the Banking Facility Letter and any other part of our banking agreement, then the terms in the Banking Facility Letter prevail.

### Key words

The meaning of key words printed like this and other words used in our banking agreement is explained in our Customer Terms. Some additional key words which apply to the products referred to in these terms are explained at the end of these terms.

### How to contact us

To discuss any aspect of our relationship please contact us at one of our branches, by calling our Client Care Centre at 265 8000 or by visiting [sc.com/bn](http://sc.com/bn).

# Part A - Getting started

## 1 Our mortgage facilities

---

The mortgage facilities we offer are:

- Home Loans User;
- Mortgage Overdrafts.

You should contact us to discuss which mortgage facility suits your personal banking needs. We can also explain the features and terms of our mortgage facilities.

## 2 Application

---

When you decide on the mortgage facility that suits you, you need to fill in an application and give us any other documents or information we require to assess the application.

## 3 Banking Facility Letter

---

If we approve your application, we issue a Banking Facility Letter. If you want to accept our Banking Facility Letter you need to do so in accordance with the procedures set out in the Banking Facility Letter.

## 4 Pre-conditions to use

---

4.1 Before you can use a mortgage facility you must:

- comply with the requirements we specify from time to time and any other pre-conditions we specify in our banking agreement;
- unless otherwise stated in our Banking Facility Letter, have paid all our costs in connection with the mortgage facility. (We may deduct any fees payable from funds drawn down);
- have opened or maintain a nominated account or any other account we specify with us. These accounts must be maintained at all times for the purposes of the mortgage facility;
- have satisfied our insurance requirements, the requirements of the insurer and, unless we agree to finance them, paid the premiums due;
- provide us with all securities in the form and substance we require including all documents we consider necessary to ensure the security is effective; and
- provide us with all other documents or information we reasonably require.

Each item must be in form and substance satisfactory to us, our lawyers and our consultants

(including evidence of stamping (if applicable) and if a document is not an original document it must be certified in the manner we require as being a true and up to date copy of the original).

4.2 We need not provide any funds to you or otherwise allow you to use the mortgage facility if:

- any of the circumstances in clause 2 (Preconditions to use of any product) of the Customer Terms exists; or
- the results of any searches, requisitions or other enquires in connection with you, any security provider or the property are not in form and substance satisfactory to us, our lawyers or consultants.

## 5 Your limit

---

You may only draw on a mortgage facility up to the limit. We may cancel or vary the limit at any time without notice to you.

## 6 Conversion

---

If you want to convert a mortgage facility to another type of mortgage facility we offer, please contact us to discuss the available options. If we agree to a conversion it must be on terms satisfactory to us (including payment of fees and costs).

## 7 Continuance of your facility

---

During the continuance of your banking facilities, you will not without our prior written consent, create or permit to subsist or extend any mortgage, debenture, charge, pledge, lien on any other encumbrance or security whatsoever over any part of your present or future undertaking, property, assets and revenues.

## Part B - Home Loans

This Part B applies if you have a Home Loan.

### 8 Funding

#### Purpose

- 8.1 You must use the home loan only for the purpose set out in the Banking Facility Letter or as otherwise approved by us.

#### Requesting funds

- 8.2 If you want us to provide you with funds, you may do so by a written request in the form we require. If the home loan is provided to finance construction or renovation each request made during the construction period may need to certify matters relating to the building and attach documents or other information we specify, including invoices from the builder and evidence that you have paid any shortfall between the funds to be advanced and the invoice amount.

Your request must be made within a reasonable time (for example, at least seven banking days) before you require the funds.

#### How we provide the funds

- 8.3 We pay the funds to you as directed by you or your agent, except to the extent that we require otherwise. For example:
- if the home loan is provided to finance construction or renovation, we provide the loan in a series of advances as the work progresses against invoices we approve. We may provide the funds by paying them directly to the builder.

#### Availability period

- 8.4 If the Banking Facility Letter states an availability period, each request for funds must be made during the availability period. Any unused portion of the limit at the end of the availability period is automatically cancelled.
- 8.5 If the home loan is provided to finance construction or renovation, you must ensure that the work is completed within the construction period agreed with us.

### 9 Interest, fees and charges

#### Interest - general

- 9.1 You must pay interest on the loan monthly in arrears (or as otherwise set out in our Banking Facility Letter) at the rate set out in the Banking Facility Letter or at any other rate we determine. Despite the terms of our Banking Facility Letter, the interest rate we charge cannot be less than 0% per annum at any time.

- 9.2 Unless otherwise stated in our Banking Facility Letter, interest accrues on a daily basis and is calculated on the basis of a 365 day year (a 366 day year in the case of a leap year) (as determined by reference to usual market practice for the relevant currency).

- 9.3 Interest is payable on the dates set out in the Banking Facility Letter or otherwise in our banking agreement.

- 9.4 Unless otherwise stated in our Banking Facility Letter interest is charged to your account on the last banking day of each month and on the day when all amounts owing in connection with the home loan are finally paid.

- 9.5 Any overdue payment incurs interest at the default rate set out in the Banking Facility Letter or otherwise in our banking agreement (see "Interest, fees and costs" in the Customer Terms).

- 9.6 We may vary the interest rate. If we vary the interest rate, we give you at least one month's notice before the date of the revised interest rate takes effect.

#### Fees and charges - general

- 9.7 The fees and costs for each home loan are set out in the Banking Facility Letter or the tariff booklet. They are also available by contacting us at any of our branches, by phone banking or by visiting our website. They may be varied without notice to you.

- 9.8 All legal, valuation and other costs and expenses on a full indemnity basis incurred by us in connection with the banking facilities made available to you or the enforcement or preservation of our rights hereunder or under any other document forming our agreement or the transfer of the property or under any of the security documents required by us shall be borne by you. You will also be responsible for the payment of stamp duties and other charges that may be incurred in relation to the facilities granted by us pursuant to the Banking Facility Letter and for perfection of the transfer of property and security documents.

### 10 Facility term

- 10.1 The term of a home loan commences on the date of first drawdown and continues for the period stated in the Banking Facility Letter.

- 10.2 The Banking Facility Letter may allow the original term of the home loan to be extended up to a maximum period. This is to allow the instalment amount to be maintained despite any change in the interest rate (see clause .11.5. below).

## 11 Repayment

---

### Repayment by instalments

- 11.1 If the Banking Facility Letter states that you must repay the home loan in instalments, we notify you the amount of the instalment or otherwise specified in your Banking Facility Letter.
- 11.2 If you have not fully drawn down the home loan (that is, you have not used up all of your limit) by the end of any availability period stated in the Banking Facility Letter, we may vary the instalment amount, the number of the instalments and the term of the home loan.
- 11.3 If the home loan is provided to finance construction or renovation, you may not be required to pay instalments until a date stated in the Banking Facility Letter or another date we notify you.
- 11.4 You must pay the interest and any instalments as set out in the Banking Facility Letter once the loan has been drawdown or paid out.
- 11.5 If we vary the interest rate on the home loan, we may vary the instalment amount and the number of instalments. However, if the Banking Facility Letter states that the home loan has a term that may be extended if an interest rate increases, we extend the term of the home loan (until it reaches the maximum term stated) rather than varying the instalment amount. If the maximum term is reached, we may vary the instalment amount.

The right to vary instalments is in addition to our other rights to vary as set out in our banking agreement. See, for example, clause 36.18 (Variation of our banking agreement) in the Customer Terms.

### Methods of instalment repayment

- 11.6 The instalment repayment structure for the home loan is stated in the Banking Facility Letter.
- 11.7 If the Banking Facility Letter states that the interest only repayment method applies, during the interest only period the amount of each monthly instalment is the sum of any unpaid interest charges which have accrued on the account for the home loan for the month.
- At the end of the interest only period instalments, the home loan converts to principal and interest instalments. We notify you the new instalment amount at the end of the interest only period.
- 11.8 If you ask, we may agree to defer a particular monthly instalment. If this happens, you must pay the additional interest which accrues on the deferred instalment amount on the final payment date we notify you.

### When you must repay in full

- 11.9 On the last day of the term, to the extent there is any balance owing for the home loan, you must repay that balance owing.
- 11.10 Despite any other term of our banking agreement, we may ask you to repay all or part of the balance owing for the home loan and all other amounts owing to us in connection with the home loan at any time. If we do so, you must immediately pay the amount we demand.
- 11.11 Before we discharge any security, you must pay all fees and costs payable in connection with the final settlement of your home loan (such as discharge fees and costs).
- 11.12 Subject to law, we may use amounts we receive from any of your instalments to pay interest rather than to reduce the principal amount you owe us or to pay amounts you owe us in any order we choose.

## 12 Prepayment

---

### Prepayment

- 12.1 You may prepay all or part of the home loan if:
- you give us at least 30 days notice in writing,
  - the prepayment amount complies with any minimum or maximum amount we specify;
  - when you prepay, you also pay all accrued but unpaid interest, fees and costs in connection with the home loan (including any full or partial prepayment fees as set out in the Banking Facility Letter or tariff booklet and costs in connection with the prepayment); and
  - you comply with any other requirements stated in the Banking Facility Letter. In some cases this may require our consent before you make a prepayment.
- 12.2 An amount prepaid is applied to reduce the remaining instalments due. We apply it first to the last instalment to be made and then to the second last and so on until the amount prepaid is applied in full.

## 13 Review, cancellation, termination, suspension

In addition to the terms below, our Customer Terms and the Banking Facility Letter set out our right to review the terms of your home loan, when you and we may end or suspend your use of any product. The Customer Terms also set out what you need to do if that happens (including immediate payment of the balance owing for the home loan) and our enforcement rights. See, for example, Parts A and H of the Customer Terms.

### Review

- 13.1 The facilities will be subject to our customary review. Notwithstanding this we may review the banking facilities at any time and may terminate the whole or part of the banking facilities immediately if any event of default (as defined below) occurs to you.

### Modification and indulgence

- 13.2 We may at any time in our absolute discretion and without affecting the terms and conditions of your facilities or of any security created for the facilities:

- determine, alter, vary, amalgamate, restructure, renew or substitute partly or wholly any of the banking facilities offered;
- grant to you or to any other surety or guarantor any time or indulgence;
- renew any bills, notes or other negotiable securities;
- deal with exchange, release or modify or abstain from perfecting or enforcing any security or guarantees or rights it may now or at any time hereafter or from time to time have from or against you or any other persons;
- vary, alter or amend the number and/or the amount of monthly installments and/or such modes of repayments to be paid by you to us.

### Events of default

- 13.3 An event of default occurs where:
- you fail to perform and observe any of your obligations under the Banking Facility Letter in particular with regard to your repayment of the facilities and interest on the due dates as herein stated;
  - if in our opinion you have utilised the facilities unsatisfactorily or have utilised the facilities for any purpose other than that for which the facilities are granted;

- any representation or warranty made by you pursuant to the Banking Facility Letter or if any statement delivered or made pursuant to it is incorrect when made;
- if in our sole and absolute discretion it is decided that the continuation of the facilities would likely be detrimental to our own position or that the safety of any security given for the facilities is threatened or is in jeopardy;
- a material adverse change occurs in your financial condition or business operation or changes occur in the financial and operating environment which in our opinion will adversely affect our interest or which may prejudice your ability to perform or discharge your obligations towards the repayment of the facilities;
- you are subject to any legal process which in our opinion will adversely affect your ability to perform or discharge your obligations towards the repayment of the facilities; and
- if it becomes unlawful or impossible for us to make, maintain or fund the facilities as contemplated in our Banking Facility Letter.

- 13.4 No further drawing may be made after the occurrence of any event of default and we shall be entitled at any time after the occurrence of an event of default, by notice in writing to you, to declare that facility and all interest and commitment commission occurred and all other sums payable, pursuant to our Banking Facility Letter have become immediately due and payable whereupon the same shall become immediately due and payable and you shall immediately pay the same to us.

- 13.5 In the event that the banking facilities shall be declared immediately due and payable as stated above you will reimburse us for all losses and expenses incurred by us in consequence of the event of default including all legal fees and expenses (on a solicitor-client basis) in enforcing its right through any process of law.

- 13.6 You may cancel a home loan by giving us reasonable notice in writing. However, we may charge you a cancellation fee (see the Banking Facility Letter and the tariff booklet).

## Part C - Mortgage overdrafts

This Part C applies if you have a Mortgage Overdraft.

### 14 Using your mortgage overdraft

---

#### Purpose

- 14.1 You must use the mortgage overdraft only for the purpose set out in the Banking Facility Letter or as otherwise approved by us.

#### How we provide funds

- 14.2 We make funds available to you through the account for the mortgage overdraft in accordance with our usual practice from time to time. This must be an account of a type we specify. We may change this account at any time for any reason.

#### Annual review

- 14.3 We may continue providing to you the mortgage overdraft subject to our review annually.

### 15 Exceeding your mortgage overdraft limit

---

Sometimes we may allow you to draw in excess of the limit. If we allow you to do so:

- this is not a waiver of our right to require your mortgage overdraft to be maintained within the limit;
- you must repay the excess immediately; and
- a higher interest rate is payable on the excess until it is repaid (see clause .16.5).

### 16 Interest, fees and charges

---

#### Interest

- 16.1 We charge interest on that part of the balance owing for the mortgage overdraft which is within the limit at the rate set out in the Banking Facility Letter or any other rate we determine.
- 16.2 Interest may be charged at different rates for different parts of the balance owing for a mortgage overdraft.
- 16.3 Unless otherwise stated in our banking agreement, interest accrues on a daily basis and is calculated on the basis of a 365 day year (a 366 day year in the case of a leap year) (as determined by reference to usual market practice for the relevant currency).

#### Minimum interest amount

- 16.4 If the interest payable is less than any minimum interest amount we specify, you must pay the minimum interest amount instead.

#### Default interest

- 16.5 If the balance owing exceeds the limit (with or without our approval), we charge interest on that excess at the default rate (which is higher than the usual interest rate).
- 16.6 We also charge interest at the default rate on any overdue amount (including if you do not pay the minimum monthly repayment when due).

#### When interest is payable

- 16.7 Interest is debited from the account for the mortgage overdraft in arrears on the last banking day of each month and on the day when all amounts owing in connection with the mortgage overdraft are fully paid, or at any other times we determine.

#### Fees

- 16.8 The fees and costs for your mortgage overdraft (such as processing fees, commitment fees and renewal fees) are set out in the Banking Facility Letter or the tariff booklet.
- 16.9 All legal, valuation and other costs and expenses on a full indemnity basis incurred by us in connection with the banking facilities made available to you or the enforcement or preservation of our rights hereunder or under any other document forming our agreement or the transfer of the property or under any of the security documents required by us shall be borne by you. You will also be responsible for the payment of stamp duties and other charges that may be incurred in relation to the facilities granted by us pursuant to the Banking Facility Letter and for perfection of the transfer of property and security documents.

### 17 When you must repay in full

---

Despite any other term of our banking agreement, we may ask you to repay all or part of the balance owing for the account for the mortgage overdraft at any time. If we do so, you must immediately pay the amount we demand.

### 18 Conversion

---

We may, at any time, convert the balance owing for the mortgage overdraft into another type of mortgage facility. This may include combining it with an existing mortgage facility we provide to you. If we do this, we will advise you of the details (for example, the interest rate and repayment arrangements).

## 19 Review, cancellation, termination, suspension

In addition to the terms below, our Customer Terms and the Banking Facility Letter set out our right to review the terms of your mortgage facility, when you and we may end or suspend your use of any product and what you need to do if that happens (including immediate payment of the balance owing for the mortgage facility). They also set out our enforcement rights. See, for example, Parts A and H of the Customer Terms.

19.1 If your mortgage overdraft is provided in conjunction with a home loan and you repay all the balance owing for the home loan or the term of the home loan has expired, we cancel the mortgage overdraft.

### Review

19.2 The facilities will be subject to our customary review. Notwithstanding this we may review the banking facilities at any time and may terminate the whole or part of the banking facilities immediately if any event of default (as defined below) occurs to you.

### Modification and indulgence

19.3 We may at any time in our absolute discretion and without affecting the terms and conditions of your facilities or of any security created for the facilities:

- determine, alter, vary, amalgamate, restructure, renew or substitute partly or wholly any of the banking facilities offered;
- grant to you or to any other surety or guarantor any time or indulgence;
- renew any bills, notes or other negotiable securities;
- deal with exchange, release or modify or abstain from perfecting or enforcing any security or guarantees or rights it may now or at any time hereafter or from time to time have from or against you or any other persons;
- vary, alter or amend the number and/or the amount of monthly installments and/or such modes of repayments to be paid by you to us.

### Events of default

19.4 An event of default occurs where:

- you fail to perform and observe any of your obligations under the Banking Facility Letter in particular with regard to your repayment of the facilities and interest on the due dates as herein stated;

- if in our opinion you have utilised the facilities unsatisfactorily or have utilised the facilities for any purpose other than that for which the facilities are granted;
- any representation or warranty made by you pursuant to the Banking Facility Letter or if any statement delivered or made pursuant to it is incorrect when made;
- if in our sole and absolute discretion it is decided that the continuation of the facilities would likely be detrimental to our own position or that the safety of any security given for the facilities is threatened or is in jeopardy;
- a material adverse change occurs in your financial condition or business operation or changes occur in the financial and operating environment which in our opinion will adversely affect our interest or which may prejudice your ability to perform or discharge your obligations towards the repayment of the facilities;
- you are subject to any legal process which in our opinion will adversely affect your ability to perform or discharge your obligations towards the repayment of the facilities; and
- if it becomes unlawful or impossible for us to make, maintain or fund the facilities as contemplated in our Banking Facility Letter.

19.5 No further drawing may be made after the occurrence of any event of default and we shall be entitled at any time after the occurrence of an event of default, by notice in writing to you, to declare that facility and all interest and commitment commission occurred and all other sums payable, pursuant to our Banking Facility Letter have become immediately due and payable whereupon the same shall become immediately due and payable and you shall immediately pay the same to us.

19.6 In the event that the banking facilities shall be declared immediately due and payable as stated above you will reimburse us for all losses and expenses incurred by us in consequence of the event of default including all legal fees and expenses (on a solicitor-client basis) in enforcing its right through any process of law.

19.7 We may charge you a cancellation fee if the mortgage overdraft is cancelled within one year from when you open the account for the mortgage overdraft, or within one year of renewal after an annual review (see the Banking Facility Letter and the tariff booklet).

## Part D - Meaning of words

### 20 Meaning of words

---

You also need to refer to our Customer Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Customer Terms, the definition in these terms applies for the purposes of a mortgage facility.

**default rate** means, for a mortgage facility and at a particular time, the rate of interest per annum which applies to amounts owing under the mortgage facility as stated in the Banking Facility Letter, or as otherwise notified by us to you.

**home loan** means each facility we make available to you by way of term loan as described in Part B.

**limit** means, for a mortgage facility, the limit set out in the Banking Facility Letter for the mortgage facility.

**loan** means the outstanding principal amount of all drawdowns under a mortgage facility.

**mortgage facility** means each home loan or mortgage overdraft we make available to you under these terms as stated in our Banking Facility Letter.

**mortgage overdraft** means each facility we make available to you by way of overdraft as described in Part C.

**property** means the subject of the security for your mortgage facility.