Mortgage Terms
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### 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 **letter of offer**, our **Client Terms** and any other documents forming our **banking agreement**. To the extent of any inconsistency between these terms and our Client Terms, these terms prevail and if there is any inconsistency between the **letter of offer** and any other part of our banking agreement, then the terms in the **letter of offer** prevail.

### Key words

The meaning of key words printed like this and other words used in our banking agreement is explained in our Client 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 using phone banking (01) 2704611-4 or by visiting our website www.sc.com/ng.
Part A - Getting started

1 Our mortgage facilities

The mortgage facilities we offer are:

Mortgage Loans; and

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 Letter of offer

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

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 letter of offer,
  have paid all our costs in connection with the mortgage facility. (We may deduct any fees
  payable from funds drawn down);

- if we require, have opened or maintain a
  nominated account or any other account we
  specify with us. If we require you to do so,
  the account 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 (Pre-
  conditions to use of any product) of the
  Client 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).
Part B - Mortgage Loans

This Part B sets out terms which apply to each Mortgage Loan.

7 Funding

Purpose

7.1 You must use the mortgage facility only for the purpose set out in the letter of offer or as otherwise approved by us.

Requesting funds

7.2 If you want us to provide you with funds, you may do so by a written request in the form we require. If the mortgage facility 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

7.3 If you have an Equity Release Loan, we pay the funds to you as directed by you or your agent. For all other Mortgage Loans we pay the funds in the manner we specify. For example, if the mortgage facility is provided to finance construction or renovation, we will make 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. You must provide us with receipts from the builder within two months of the date we provide the funds.

Availability period

7.4 If the letter of offer 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.

7.5 If the mortgage facility is provided to finance construction or renovation, you must ensure that the work is completed within the construction period agreed with us.

8 Interest, fees and charges

Interest

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

8.2 Unless otherwise stated in our letter of offer, 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).

8.3 Interest is payable on the dates set out in the letter of offer or otherwise in our banking agreement.

8.4 Unless otherwise stated in our letter of offer 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 mortgage facility are finally paid.

8.5 Any overdue payment incurs interest at the default rate set out in the letter of offer or otherwise in our banking agreement (see “Interest, fees and charges” in the Customer Terms).

8.6 We may vary the interest rate, the basis for calculating the interest rate (including any base lending rate or other reference rate) and the margin without notice to you. However, if we vary the interest rate, we notify you of the effective date of the revised interest rate.

Fees and charges

8.7 The fees and costs for each mortgage facility are set out in the letter of offer or the tariff sheet. 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 Facility term

9.1 The term of a mortgage facility commences on the date of first drawdown and continues for the period stated in the letter of offer.

9.2 The letter of offer may allow the original term of the mortgage facility to be extended up to a maximum period. This is to allow the installment amount to be maintained despite any change in the interest rate (see clause 10.5 below).

10 Repayment

Repayment by instalments

10.1 If the letter of offer states that you must repay the mortgage facility in instalments, we notify you the amount of the instalment and each instalment payment date. Any balance owing for the mortgage facility (after payment of all instalments) must be repaid on the final payment date we notify you.

10.2 If you have not fully drawn down the mortgage facility (that is, you have not used up all of your limit) by the end of any availability period stated in the letter of offer, we may vary the instalment amount, the number of the instalments and the term of the mortgage facility.

10.3 If the mortgage facility is provided to finance construction or renovation, you may not be required to pay instalments until a date stated in the letter of offer or another date we notify you.
10.4 You must pay the instalments even if you do not withdraw all or any of the loan we deposit in the nominated account.

10.5 If we vary the interest rate on the mortgage facility, we may vary the instalment amount and the number of instalments. However, if the letter of offer states that the mortgage facility has a term that may be extended if an interest rate increases, we extend the term of the mortgage facility (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 34.11 (Variation of our banking agreement) in the Customer Terms.

Methods of instalment repayment

10.6 The instalment repayment structure for the mortgage facility is stated in the letter of offer.

10.7 If the letter of offer 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 mortgage facility for the month.

At the end of the interest only period instalments, the mortgage facility converts to principal and interest instalments. We notify you the new instalment amount at the end of the interest only period.

10.8 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.

Statements

10.9 Statements for a mortgage facility are available on request.

When you must repay in full

10.10 On the last day of the term, to the extent there is any balance owing for the mortgage facility, you must repay that balance owing.

10.11 Despite any other term of our banking agreement, we may ask you to repay all or part of the balance owing for the mortgage facility and all other amounts owing to us in connection with the mortgage facility at any time. If we do so, you must immediately pay the amount we demand.

10.12 Before we discharge any security, you must pay all fees and costs payable in connection with the final settlement of your mortgage facility (such as discharge fees and costs).

11 Prepayment

Prepayment

11.1 You may prepay all or part of the mortgage facility if:

- you give us reasonable notice in writing;
- the prepayment amount complies with any minimum or maximum amount we specify;
- you prepay only part of the loan, you maintain a minimum loan balance we specify;
- when you prepay, you also pay all accrued but unpaid interest, fees and costs in connection with the mortgage facility (including any early redemption or repayment fees as set out in the letter of offer or tariff sheet and costs in connection with the prepayment); and
- you comply with any other requirements stated in the letter of offer. In some cases this may require our consent before you make a prepayment.

If you are unable to give us reasonable notice of prepayment, we may also require you to pay an amount equal to one month’s interest on the mortgage facility.

11.2 An amount prepaid reduces the remaining instalments due in reverse order by the amount prepaid.

11.3 We will give you a revised instalment schedule.

12 Review, cancellation, termination, suspension

In addition to the terms below, our Customer Terms and the letter of offer 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. The Customer Terms also set out what you need to do if that happens (including immediate payment of the balance owing for the mortgage facility) and our enforcement rights. See, for example, Parts A and H of the Customer Terms.

You may cancel a mortgage facility by giving us reasonable notice in writing. However, we may charge you a cancellation fee (see the letter of offer and the tariff sheet).
Part C - Mortgage overdrafts

This Part D applies if you have a Mortgage Overdraft.

13 Using your mortgage overdraft

Purpose

13.1 You must use the mortgage overdraft only for the purposes set out in the letter of offer or as otherwise approved by us.

How we provide funds

13.2 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.

14 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 15.5).

15 Interest, fees and charges

Interest

15.1 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 letter of offer or any other rate we determine.

15.2 Interest may be charged at different rates for different parts of the balance owing for a mortgage overdraft.

15.3 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

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

Default interest

15.5 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).

15.6 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

15.7 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

15.8 The fees and costs for your mortgage overdraft (such as processing fees, commitment fees and renewal fees) are set out in the letter of offer or the tariff sheet.

No credit interest

15.9 No interest is payable on any credit balance in an account for a mortgage overdraft.

16 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 mortgage overdraft at any time. If we do so, you must immediately pay the amount we demand.

17 Repayment

Minimum monthly repayment

17.1 On or before the due date set out in the statement we issue for a mortgage overdraft, you must pay at least the minimum monthly repayment as set out in the statement. Alternatively, you may pay the balance owing for the mortgage overdraft as set out in the statement.

17.2 Your liability to us remains even if, for any reason, you do not receive your periodic statement.

Calculation of minimum monthly repayment

17.3 We calculate the minimum monthly repayment in accordance with our usual practice. Please refer to the letter of offer or contact us for further information.

Methods of repayment

17.4 We advise you of the manner in which you must repay any payment on the mortgage overdraft. For example, we may ask you to designate an account for repayment by direct debit and give us documents to facilitate direct debit from that account.

17.5 You must comply with our usual requirements for the applicable payment method, including any set out in this clause.

17.6 The proceeds of any payment instruction are taken into account in determining the funds available for drawdown on your mortgage overdraft only after the payment instruction is cleared.

What happens if you do not pay

17.7 If we do not receive the minimum monthly repayment on or before the due date:
- you may not use the mortgage overdraft until the minimum monthly repayment has been paid, and
- we may suspend your use of the mortgage overdraft.

**How we apply payments**

17.8 We may use amounts we receive under our banking agreement to pay amounts you owe us in the following order or any order we choose:

- interest and costs as set out in the letter of offer, the tariff sheet or elsewhere in our banking agreement; then
- costs in connection with enforcing any debt you owe us; then
- unpaid transactions and cash withdrawals; then
- fees, costs and transactions incurred from the use of the mortgage overdraft not yet shown on the current statement.

**18 Conversion into a mortgage loan**

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 Cancellation**

In addition to the terms below, our Customer Terms and the letter of offer 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 mortgage loan covered by Part B of these terms and you repay all the balance owing for the mortgage loan or the term of the mortgage loan has expired, we cancel the mortgage overdraft.

19.2 We may charge you a cancellation fee if the mortgage overdraft is cancelled (see the letter of offer and the tariff sheet).
Part E - 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 overdue payments or amounts owing in excess of a limit under the mortgage facility as stated in the letter of offer, or as otherwise notified by us to you.

limit means, for a mortgage facility, the limit set out in the letter of offer for the mortgage facility.

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

mortgage facility means each mortgage loan or mortgage overdraft we make available to you under these terms as stated in our letter of offer.

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

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