

Mortgage Declaration

Product Information

1. Securitisation

In common with many other leading mortgage lenders throughout the world, we may decide to securitise some of our mortgages. The following is a summary of the main features of securitisation.

Why should mortgages be securitised?

Financial institutions are limited in the amount they're able to lend, by the level of capital (eg shareholders' funds). In order to release capital to support future lending, mortgages may be transferred to an investor. This practice, which is known as securitisation, is used in the capital markets worldwide as an alternative to raising new capital by traditional routes such as share issues.

Who are the investors in these markets?

They include the world's major financial institutions and multinational corporations.

How does securitisation affect you?

Other than in certain circumstances, considered by us to be very unlikely in practice, you shouldn't be aware of any effect from securitising your mortgage. This is because you'll still deal with us in all matters relating to it, including the setting of interest rates.

By signing the declaration, you indicate your agreement to the securitisation of your mortgage.

2. Early Repayment Charge

Some of our mortgage products have an Early Repayment Charge (ERC).

Where a mortgage product has an ERC, it will apply during the early years of a new mortgage or, if you already have a mortgage with us and switch products during the years when the ERC applies, for a set period following the switch.

The period when the ERC applies is called the Early Repayment Charge Period. In each year of the Early Repayment Charge Period (the first year will start on the date of Drawdown and subsequent years on the anniversary of this date), you'll have an annual overpayment allowance which will give you the flexibility of making some overpayments without incurring the ERC.

As long as you don't exceed your annual overpayment allowance, you can make as many overpayments as you like within that year either by way of increasing your monthly mortgage payments or making lump sum payments. If you exceed your annual overpayment allowance, the ERC will be charged on the amount you have repaid over the allowance.

The ERC will be a percentage of the amount repaid early for each remaining year of the Early Repayment Charge Period reducing on a daily basis. For example, where the charge is 1%, if there are 2 years of the Early Repayment Charge Period remaining, the charge will be 2% of the amount repaid over your annual overpayment allowance. If there are 18 months of the Early Repayment Charge Period remaining, the charge will be 1.5% of the amount repaid over your annual overpayment allowance. Please note, for some of our mortgage products, minimum or maximum limits to the ERC may apply. The ERC also applies if you switch to another HSBC mortgage before the expiry of the Early Repayment Charge Period.

Please ask your mortgage advisor for full details before signing this form.

3. Complaints

If we don't deliver the standard of service you expect, or if you think we've made a mistake, please let us know. We'll investigate the situation and, if necessary, set about putting matters right as quickly as possible. In addition we'll take steps, where appropriate, to prevent this happening again.

Please allow your branch manager or the manager of the department concerned the first opportunity to answer your concerns and put matters right. However, if you remain dissatisfied and would like further information about our process for resolving complaints, please ask us for our explanatory leaflet "Listening to Your Comments".

For accounts held in the Channel Islands or the Isle of Man, you may be entitled to refer your complaint to the Financial Services Commission in Jersey or Guernsey and the Financial Services Ombudsman Scheme in the Isle of Man.

HSBC Mortgage/HomeOwner Loan Declaration

Please make sure that you read the contents of this HSBC Mortgage I HomeOwner Loan Declaration before signing.

1. I request you to open a HSBC Mortgage I HomeOwner Loan account in my name. I agree that any reference to a mortgage(s) in this Declaration will include a reference to a HomeOwner Loan(s).
2. I confirm that the information provided by me for input on a computer database is correct. I fully understand that a copy of the loan application would not normally be given to me, but if I ask for a copy you will provide me with one.
The statements made by me or on my behalf in relation to this loan application are true and complete to the best of my knowledge and belief They shall form the basis on which any loan is granted. I am at least 18 years of age.
3. If any of the information changes before the loan is made, I will notify you in writing and will not take up the loan unless you have previously agreed in writing to such a change.
4. I will provide you with any information regarding my financial position or the property as you may reasonably require, at any time.
5. I am responsible for your legal and other expenses arising out of this application, whether or not the loan is granted or completed. I authorise you to debit my current account with the expenses.
6. The security for the HSBC Mortgage I HomeOwner Loan will be a first legal mortgage over the property to be purchased/given as security.
7. I irrevocably authorise
 - (i) you to contact any solicitor/licensed conveyancer instructed to act for me in relation to this transaction and
 - (ii) any such solicitor/licensed conveyancer to forward to you their entire file of papers relating to this transaction at your request.
8. I understand that if you approve the application for a variable rate mortgage the loan must be drawn down within six months of the date of the offer document and in one amount, unless you agree otherwise.
9. Fixed rate mortgages
 - (a) With the exception of a fixed rate booked through our Fee Saver Pricing Package (where no booking fee is payable), I am liable to pay you your published booking fee which is payable on application.
If I am to pay all of the booking fee upfront on application:
 - (i) I authorise you to debit my account with the fee.
 - (ii) Non-customers: I enclose a cheque for the amount of the fee.
If you are adding all or any part of the booking fee to the loan, please see Section 15 below 'Fees added to the loan'.
 - (b) I understand that when payable the fee represents a charge for reserving funds at a particular fixed rate and is non-refundable.
 - (c) If any further fixed rate offer is made at the end of any fixed rate period I agree to pay any further fee advised to me at that time, if I accept the renewal terms offered.
 - (d) I understand that if you approve the application for a fixed rate mortgage, the loan must be drawn down within six months of the date the fixed rate funds are booked and in one amount, unless you agree otherwise.
 - (e) I understand that fixed rate offers may be changed or withdrawn at any time without notice. The rate applicable to my loan may be subject to change until such time as the funds are booked in my name and the corresponding booking fee (if applicable) has been debited from my account or I have enclosed a cheque for the amount of the fee.
10. Discount rate mortgages
 - (a) With the exception of a discount rate booked through our Fee Saver Pricing Package (where no booking fee is payable), I am liable to pay you your published booking fee which is payable on application.
If I am to pay all of the booking fee upfront on application:
 - (i) I authorise you to debit my account with the fee.
 - (ii) Non-customers: I enclose a cheque for the amount of the fee.
If you are adding all or any part of the booking fee to the loan, please see Section 15 below 'Fees added to the loan'.
 - (b) I understand that when payable the fee represents a charge for reserving funds at a particular discount rate and is non-refundable.
 - (c) If any further discount rate offer is made at the end of any discount rate period I agree to pay any further fee advised to me at that time, if I accept the renewal terms offered.
 - (d) I understand that discount rate offers may be changed or withdrawn at any time without notice. The rate applicable to my loan may be subject to change until such time as the funds are booked in my name and the corresponding booking fee (if applicable) has been debited from my account or I have enclosed a cheque for the amount of the fee.
11. Tracker rate mortgages
 - (a) With the exception of a tracker rate booked through our Fee Saver Pricing Package (where no booking fee is payable), I am liable to pay you your published booking fee which is payable on application.
If I am to pay all of the booking fee upfront on application:
 - (i) I authorise you to debit my account with the fee.
 - (ii) Non-customers: I enclose a cheque for the amount of the fee.
If you are adding all or any part of the booking fee to the loan, please see Section 15 below 'Fees added to the loan'.
 - (b) I understand that when payable the fee represents a charge for reserving funds at a particular tracker rate and is non-refundable.
 - (c) I understand that tracker rate offers may be changed or withdrawn at any time without notice. The rate applicable to my loan may be subject to change until such time as the funds are booked in my name and the corresponding booking fee (if applicable) has been debited from my account or I have enclosed a cheque for the amount of the fee.
12. I understand that if I take more than one loan (for example, a mortgage and HomeOwner Loan) at the same time and on the same deal (for example both on a 3 year fixed rate deal), then I will pay just one booking fee. For multiple loans taken out at either different times and/or on different deals however, I understand that one booking fee is payable for each loan.
13. I will not let the property without your written consent.
14. Valuations
 - (a) I accept that any surveyor's and/or valuer's report may be made available to me, but there is no obligation on you to do so.
 - (b) I accept that the offer of a mortgage loan will not in any way render you liable or imply any representation, warranty, guarantee or otherwise in respect of the purchase price, condition or location of the property offered as security.

15. Fees added to the loan

- (a) Where I have asked for the booking fee to be added to the HSBC Mortgage I HomeOwner Loan I understand that in accordance with the Key Facts Illustration (KFI) part of these fees will be added to the loan on drawdown of the HSBC Mortgage I HomeOwner Loan.
 - (i) I understand that where I have chosen to add the booking fee to the HSBC Mortgage I HomeOwner Loan part of the booking fee will be payable at the time when the funds are booked.
 - I authorise you to debit my account with this amount.
 - Non-customers: I enclose a cheque for that part of the fee payable when the funds are booked.
 - (ii) I confirm that both that part of the booking fee payable at the time when the funds are booked and that part of the booking fee that is to be added to the HSBC Mortgage I HomeOwner Loan have already been advised to me in my Key Facts Illustration (KFI).
 - (iii) Where I have asked for the booking fee or any other fee to be added to the HSBC Mortgage I HomeOwner Loan, I understand that interest will be payable on the amount of the fee that has been added to the Loan.
- (b) Where I have asked for the booking fee to be added to the HSBC Mortgage I HomeOwner Loan I understand that in accordance with the Key Facts Illustration, all of this fee will be added to the HSBC Mortgage I HomeOwner Loan on draw down of the HSBC Mortgage I HomeOwner Loan.
 - (i) I confirm that the booking fee payable has already been advised to me in my Key Facts Illustration [KFI].
 - (ii) Where I have asked for the booking fee or any other fee to be added to the HSBC Mortgage I HomeOwner Loan, I understand that interest will be payable on the amount of the fee.
- (c) I understand that HSBC Bank plc reserves the right to collect from me any fees I have opted to add to the HSBC Mortgage I HomeOwner Loan if the HSBC Mortgage/HomeOwner Loan does not complete or drawdown.

16. Interest Only Mortgages

- (a) I undertake to repay the loan from the proceeds of my endowment/policy/policies/other repayment strategy (as appropriate) or other funds available at the repayment date.
- (b) I irrevocably authorise the issuer of my repayment strategy to supply you with any information you require concerning my repayment strategy.

17. Existing Home Buyer Mortgage Customers

- (a) I understand that if you approve the application for a discount, fixed or tracker rate mortgage to replace my existing HSBC Home Buyer Mortgage fixed or variable rate product:
 - (i) I will no longer be able to benefit from the existing 1% price promise that applies to my current mortgage; and
 - (ii) the new mortgage will not be CAT standard
- (b) I understand that if we move home and you approve the application for a new mortgage for an amount which is no more than the balance of, and for a term which is no more than the term of, my existing mortgage:
 - (i) I can retain the 1% price promise and CAT standard that applies to my current mortgage during the period at which it is at a variable rate and
 - (ii) If my existing mortgage is at a fixed rate, I can retain the existing fixed rate for the remainder of the fixed rate period.

- 18.** All references in this application to 'HSBC', the 'bank' and corresponding references to 'we', 'our' (and in this declaration, 'you') shall be read and understood by me as a reference to HSBC Bank plc and/or any person or body which has had the rights of HSBC Bank plc transferred to them or has succeeded to those rights (whether directly or indirectly) to the extent of your or their respective rights and benefits. This does not apply to the 'Your Information' section of this application.

- 19.** I agree that I will be subject to the terms and conditions set out in this application form and, if this application is successful, the terms and conditions set out in the offer document.
- 20.** I acknowledge receipt of the 'Keyfacts about our mortgage service' document (not applicable to customers of HSBC Bank International Limited, Channel Islands and the Isle of Man).
- 21.** I have read, understood and signed (if applicable) the Dispensing Notice below.

Our mortgages and HomeOwner Loans are subject to security and status. With a mortgage or other secured loan a charge will be taken over the property.

Think carefully before securing other debts against your home. Your home may be repossessed if you do not keep up repayments on your mortgage.

HSBC Bank plc is registered in England number 14259.
Registered office: 8 Canada Square, London E 14 5HQ.

i By signing this application you are confirming that you have received a copy of 'Your Information' and you agree that we can use your information in the way set out.

You are also acknowledging that you have been provided with: (a) an explanation of the characteristics of the mortgage contract and the potential consequences if you fail to meet your obligations under that contract; and (b) and the Key Features Illustration (KFI), during the completion of your mortgage application. If you have any questions about any of the information you have been provided with, or this document, please contact 0345 766 2255. Please sign here:

Signature of first applicant

Date

Signature of second applicant

Date

Dispensing Notice

To be completed only where application is in joint names.
I authorise you not to comply in our case with the need to provide separate statements on our account(s).

Signature of either applicant

Date

Your Information

'We', 'us' and 'our' refer to HSBC Bank plc. 'HSBC Group' means HSBC Holdings plc, its subsidiaries, associated and affiliated companies.

Credit Reference Agencies

We may share information with credit reference agencies (CRAs) to verify your identity and suitability for an account using information from the Electoral Register and other public sources. We may use details of your credit history to assess your ability to meet your financial commitments.

The CRAs will record details which will form part of your credit history whether or not you proceed with your application and if you make several applications within a short period of time, this may temporarily affect your ability to obtain credit.

We may also share details of how you manage any accounts or borrowing from us with CRAs.

If we make demand for repayment following any default by you and you fail to repay the sum due in full or to make (and adhere to) acceptable proposals for repayment within 28 days, then, provided there is no genuine dispute about the amount owed, we may register the default with the CRAs. The registration of a default notice may affect your ability to obtain further credit.

If you make a joint application, an "association" linking your financial records with those of your fellow applicant(s) will be created by the CRAs. The credit history of your "associates" may be taken into consideration in any future application for credit. The "association" will continue to link your credit histories unless and until you successfully file a "notice of disassociation" with the CRAs.

Crime Prevention and Debt Recovery

To prevent crime, to verify your identity and to recover debt, we may exchange information (both within the UK, Channel Islands and the Isle of Man and, where appropriate, overseas) with other members of the HSBC Group, and, where appropriate, fraud prevention and debt recovery agencies and other organisations including other lenders.

If you give us false or inaccurate information and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.

Data Sharing

The HSBC Group may record, exchange, analyse and use relevant information about you and your relationships with the HSBC Group (including the nature of your transactions) for credit assessment, customer service, market research, insurance and administrative purposes. This may include information provided by you, or someone acting on your behalf. Relevant information may also be exchanged with members of the HSBC Group and others, for audit purposes and if required by appropriate governmental and non-governmental regulators or ombudsmen.

We may use other HSBC Group companies and/or third parties to process information and provide services on our behalf. Whether it is processed in the UK, Channel Islands and the Isle of Man or overseas, your information will be protected, in accordance with data protection legislation, by a strict code of secrecy and security which all members of the HSBC Group, their staff and any third parties are subject to and will only be used in accordance with our instructions.

If you make a joint application, we may share the details relating to your mortgage and protection products with your fellow applicants.

Due to the new mortgage regulations, Channel Islands or Isle of Man customers requesting or discussing UK mortgages need to be referred to HSBC Bank plc in the UK.

Miscellaneous

Further details explaining how information held by CRAs and fraud prevention agencies may be used is set out in a leaflet entitled 'Credit Scoring, Credit Reference and Fraud Prevention Agencies' available on request from any of our branches, our website (www.hsbc.co.uk) or telephone freephone number 0800 587 7008.