

Lend a Hand Fixed Savings Account conditions



For use on and after Friday 13th March 2020

Our agreement with you is made up of general conditions (contained in the Personal Banking Terms and Conditions & Banking Charges), the interest rate we have provided you and additional conditions which are detailed below. If there is any overlap or conflict between the additional conditions and the general conditions, the additional conditions apply.

The Lend a Hand Fixed Savings Account (the **Account**) is a fixed term, fixed interest rate account and is used as security for a Lend a Hand mortgage loan entered into by the borrower (the **Lend a Hand Mortgage**). It is a restricted savings account because you cannot make further payments into the Account and withdrawals are not allowed until the end of the term (subject to paragraph 6.2).

You will need to sign a legal charge (the **Security Document**) which gives us certain rights over the money in the Account (excluding interest earned) if the borrower does not meet their obligations under the Lend a Hand Mortgage. This means that you may get back less than the original deposit balance at the end of the term.

The agreement is between each of the account holders (who we may refer to as "you" or "account holder" in the terms and conditions) and Lloyds Banking Group plc (referred to as "we").

1 Eligibility

- 1.1 To have the Account you must be at least 18 years old and resident in England or Wales.
- 1.2 You must be a close family member of the borrower under the Lend a Hand Mortgage. We explain what "close family member" means in paragraph 7.1.
- 1.3 Your Account can be held in your sole name or as a joint account but it cannot be held in the name of more than two account holders.
- 1.4 You cannot add an account holder to the Account during the term. If you wish to remove an account holder, the Security Document will remain in place and you will be unable to access or make withdrawals from the Account subject to these terms and the terms of the Security Document.
- 1.5 The maximum balance that can be held in the Account is £50,000 (excluding interest).
- 1.6 You, or the borrower(s) under the Lend a Hand Mortgage must have a Club Lloyds Personal Current Account.
- 1.7 The Account is only available where a Security Document is signed by you in connection with the Lend a Hand Mortgage.
- 1.8 You will be unable to open the Account acting under a power of attorney for someone else.

2 Deposits and Withdrawals

- 2.1 You must pay 10% of the purchase price of the property which will be subject to the Lend a Hand Mortgage into an Easy Saver or Club Saver account at least 7 business days before the completion of the property purchase. The exact amount you must pay will be set out in the borrower's mortgage offer. You must tell the borrower's conveyancer when you have done this.
- 2.2 You can pay money into an Easy Saver or Club Saver account through Internet Banking, by telephone or in branch. You can transfer money from another account with us or another bank.
- 2.3 Before completion of the property purchase, the Easy Saver or Club Saver account will be changed to a Lend a Hand Fixed Savings Account. You will then be unable to make any payments into the Account. The Account will have the same sort code and account number as the Easy Saver or Club Saver.
- 2.4 You are not permitted to access or withdraw money from the Account under any circumstances during the term. Paragraph 5 explains when you can withdraw money from the Account at or after the end of the term. In paragraph 6 we set out the circumstances in which we may withdraw money from the Account.

3 Interest

- 3.1 Your interest rate remains fixed for the duration of the term of your Account.
- 3.2 Interest is calculated daily on the balance in the Account. We will pay interest either into the Account or to another account in the same name(s). You can tell us which account you would like interest paid into when you open your Easy Saver or Club Saver account. We will pay interest yearly on the anniversary of the Account changing from an Easy Saver or Club Saver account to the Account, or the next working day if that day is not a working day.

4 Term

- 4.1 The term of the Account is a fixed period of 3 years.
- 4.2 The Account term will run from the day the Easy Saver or Club Saver account changes to the Account. This will happen shortly before completion of the property purchase.

5 Maturity

- 5.1 At the end of the 3 year term, if the borrower under the Lend a Hand Mortgage is not in arrears, we will change the Account into a Standard Saver account. You will then be able to access and withdraw the funds in the Standard Saver account. The Standard Saver account will have the same sort code and account number as the Lend a Hand Fixed Savings Account. We will contact you before maturity with your options and next steps.
- 5.2 If the borrower is in arrears under the Lend a Hand Mortgage at the end of the 3 year Account term we may extend the period of the legal charge. We will not release the charge until the borrower has met all their outstanding monthly payments and the mortgage is up to date. If this happens, we will change the Account into a Standard Saver account at the end of the term and the charge will continue to apply so you will be unable to access and withdraw the funds in the Standard Saver account. You will only be able to withdraw or access the funds in the Standard Saver account when the borrower under the Lend a Hand Mortgage is no longer in arrears and is up to date on their mortgage.
- 5.3 We will contact you to tell you if the borrower under the Lend a Hand Mortgage is in arrears and that you will be unable to access the funds in the Standard Saver. We will also confirm to you when the borrower under the Lend a Hand Mortgage has met their outstanding payments, the mortgage is up to date, and when you can access or withdraw the funds in the Standard Saver account.

6 The Security Document

- 6.1 The charge under the Security Document will be released on the earlier of full repayment by the borrower of all monies owed under the Lend a Hand Mortgage or at the end of the term of the Account if the borrower is not and has not been in arrears (as set out in paragraph 5.1).
- 6.2 If the borrower fails to make two monthly payments on their Lend a Hand mortgage during the term of the Account, we can at any time require you to pay us the outstanding amount up to the maximum deposit balance (excluding interest) of the Account. We will request this money from you and give you notice before we take it from the Account. We can also do this where the period of the charge is extended and the Account converts to a Standard Saver account. If the borrower is or has been in arrears under the Lend a Hand Mortgage at the end of the term (as set out in paragraph 5.2), the Security Document and the charge under the Security Document will continue over the Standard Saver account.
- 6.3 If we repossess the borrower's property while the legal charge is continuing and the proceeds from the sale of the property are not enough to repay what the borrower owes under the Lend a Hand Mortgage, we may require you to pay us any outstanding amount up to the maximum deposit balance (excluding interest) of the Account. We will request this money from you and give you notice before we take it from the Account.

7 Close family member

- 7.1 The following relatives only are a "close family member" of the borrower:
 - (a) Parents, step parents and adoptive parents;
 - (b) Brothers and sisters, half brothers and sisters, and step brothers and sisters;
 - (c) Children, step children and adopted children;
 - (d) Grandparents and step grandparents;
 - (e) Grandchild and step grandchild; and
 - (f) Aunt and uncle.