

Mortgage Facility Terms

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 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 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 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 find out information (such as current fees and interest rates or if you need us to explain features or terms) in connection with our products, you should contact us at one of our branches, by using phone banking 16233 from any mobile, +88 09666777111 from any land line or by visiting our website www.sc.com/bd

Part A - Getting started

1 Our mortgage facilities

The mortgage facilities we offer are:

Mortgage Loans

- Home Loan;
- Home Credit;

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);
- 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. For example, if you have a MortgageOne facility, we require you to open and maintain a MortgageOne account. (We may open an account on your behalf if you have not done so);
- have satisfied our insurance requirements, the requirements of the insurer and, unless we agree to finance them, paid the premiums due including, if we require you to have mortgage insurance, the premium amount in accordance with the letter of offer;
- 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 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).

Part B - Mortgage Loans - General

This Part B sets out terms which apply to each mortgage facility which must be repaid in full at the end of its term as stated in the letter of offer.

Part C includes additional terms which apply if your mortgage facility is linked to more than one other account such as a MortgageOne facility or a linking facility.

Part D sets out additional general terms which apply if, for example, you are required to have Mortgage insurance.

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.

7.3 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.

Your request must be made within a reasonable time (for example, at least 10 banking days) before you require the funds.

How we provide the funds

7.4 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 mortgage facility is provided in connection with a government housing scheme, we provide funds in accordance with the requirements of the government housing scheme;
- if the mortgage facility is provided to finance construction or renovation, we provide the loan in a series of advances as the work progresses against the certifications or invoices we approve. (Also see letter of offer for additional requirements.)

We may provide the funds by paying them directly to the builder. If we mistakenly provide funds in excess of those required to pay the builder's invoice, you must immediately repay the excess to us. You must provide us with receipts from the builder within 2 months of the date we provide the funds.

Availability period

7.5 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.

7.6 If the mortgage facility is provided to finance construction, you must ensure that the work is completed within the construction or renovation period you and we agree. We are not responsible in any way for ensuring that the construction is completed within the agreed construction or renovation period or in accordance with the builder's invoices. You must inform us immediately if the construction or renovation is delayed.

8 Interest, fees and charges

Interest - general

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 0.0% per annum at any time.

8.2 If we grant you a mortgage facility under a government housing scheme, you must pay interest on the mortgage facility at the rate determined in accordance with the terms of the government housing scheme.

8.3 Unless otherwise stated in our letter of offer, interest accrues on a daily basis and is calculated on the basis of a 360 day year (as determined by reference to usual market practice for the relevant currency).

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

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 costs" in the Customer Terms) together with any applicable late payment fee.

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 will notify you of the effective date of the revised interest rate.

Interest - MortgageOne

8.7 If you have a MortgageOne facility, the interest rate that applies on a particular day to two thirds of the credit balance in your MortgageOne account is equivalent to the interest rate that applies to your MortgageOne facility on that day. The remaining one third of the credit balance in your MortgageOne account on that day earns normal interest. You can offset the interest earned on your MortgageOne account against the interest payable on the MortgageOne facility. Interest earned on the MortgageOne account which exceeds the interest payable on the MortgageOne facility is applied towards reducing the balance

owing for the MortgageOne facility.

Fees and charges - general

8.8 The fees and costs for each mortgage facility are set out in the letter of offer 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.

Fees and charges - MortgageOne

8.9 If you have a MortgageOne facility, in addition to any other fees stated in our banking agreement, we may charge you a monthly deposit service fee if, on any day between two consecutive monthly instalment payment dates, the credit balance of your MortgageOne account equals or exceeds the limit for the MortgageOne facility. This is debited against your MortgageOne facility.

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 instalment 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 or cancel the undrawn amount of the limit.

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 36.18 (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 graduated repayment method applies, each year the instalment amount increases by the percentage you and we agree. This increase is applied in addition to any variation in the instalment amount as a result of a change in the interest rate. However, we may at any time determine that it is inappropriate to increase the instalment amount.

10.8 If the reducing balance repayment method applies, each year the instalment amount decreases by the percentage you and we agree. This decrease is applied in addition to any variation in the instalment amount as a result of a change in the interest rate.

10.9 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 account for 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.

10.10 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.

Payment holiday

10.11 If you ask, we may agree to a payment holiday on terms (including fees and costs) we notify.

10.12 During the payment holiday, the principal and interest which would otherwise be payable by you will be carried forward or instalments recalculated over the remaining period of the mortgage facility and payable by you after the payment holiday.

10.13 Subject to the terms of your payment holiday, you may ask to us to end the payment holiday at any time.

However, you may not request any changes to the terms of the mortgage facility during the payment holiday.

Bullet repayment

10.14 If the letter of offer states that the bullet repayment method applies, you must repay the balance owing for the account for the mortgage facility on the last day of the term of the mortgage facility.

Statements

10.15 We only issue a statement to you each month for the MortgageOne facility.

When you must repay in full

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

10.17 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 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.

10.18 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 in accordance with the conditions of the Important Information Document (IID) agreed by you after your acceptance of the letter of offer. If we grant you a mortgage facility under a government housing scheme, you must give us notice in writing in accordance with the terms of the government housing scheme. Please contact us for further information;
- 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 mortgage facility (including any early redemption or repayment fees as set out in the letter of offer or tariff booklet and costs in connection with the prepayment);
- you have a mortgage facility under a government housing scheme, you comply with all the requirements of the government authority in connection with your prepayment of the mortgage facility; 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 notice of prepayment, we may also require you to pay us an amount equal to one month's interest on the mortgage facility or any other amount we specify.

Partial prepayment

11.2 If you prepay only part of the loan, we may charge an early

redemption or repayment fee. The amount of each instalment and the term of the loan may be adjusted.

12 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 and 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 account for the mortgage facility) and our enforcement rights. See, for example, Parts A and H of the Customer Terms.

12.1 You may cancel a mortgage facility by giving us notice in writing. However, we may charge you a cancellation fee (see the letter of offer and the tariff booklet).

Part C - Linking facilities - MortgageOne

This Part C applies to all linking facilities.

A linking facility has features which may apply to linked deposit accounts and/or nominated mortgage facilities. These features are intended to allow you to optimise benefits from your banking relationship with us.

13 MortgageOne interest calculation

13.1 If you have a MortgageOne facility, we calculate the MortgageOne net balance each day subject to applicable Offset Cap%. The monthly interest you must pay on the loan provided under the MortgageOne facility is the interest which accrues for the month on the MortgageOne net balance. If, on a particular day, the amount in your MortgageOne account is more than the balance owing for the account for the MortgageOne facility, no interest is payable on the loan for that day provided that Offset Cap% is not applicable for you.

You are not entitled to interest on any credit balance in your MortgageOne account.

14 Linking facilities

Statements

14.1 We issue a monthly statement to you and each participant for each linked account.

Closure, delinkage or cancellation

14.2 Each participant may, without your consent or the consent of the other participants:

- close their own linked account;
- delink their own linked account from the other linked accounts or from the nominated mortgage facility;
- cancel the interest offset function for their own linked account.

You may do any of these things in respect of any linked account (whether in your name or another person's name). Each participant authorises you to do so.

We may continue to process any transactions relating to the linked accounts until the relevant accounts have been effectively closed or delinked.

14.3 We may at any time:

- terminate or suspend the linking facility;
- delink any of the linked accounts or any nominated mortgage facility.

We credit to an account nominated by you or the relevant participant any accrued interest at the time of closure, delinkage or termination.

Extension of Customer Terms to participants

14.4 Each participant acknowledges having received a copy of the Customer Terms and confirms that they are bound by, and give the representations and warranties under, the following clauses in the Customer Terms as if references to "you" includes the participant:

- clause 5 (Instructions);
- clause 7 (Notices and communications);
- clause 18 (Liability for transactions);

- clause 19 (Interest, fees and costs);
- clause 20 (You indemnify us);
- Part G (Information, statements and records);
- Part H (Termination, suspension and enforcement);
- Part J (General).

A linking facility allows you to select different functions which may apply to linked accounts and/or nominated mortgage facilities. These functions are intended to allow you to optimise benefits from your banking relationship with us.

You and each participant should monitor the balance of your linked accounts and nominated mortgage facilities to ensure best overall result.

If you or a participant close, delink or cancel a linked account, no amount which has been applied to offset the loan or interest payable under a nominated mortgage facility is returned or refunded to the linked account that has been delinked, cancelled or closed.

15 Fees and charges

- 15.1 If you have a MortgageOne facility, in addition to any other fees stated in our banking agreement, we may charge you a monthly deposit service fee if, on any day between two consecutive monthly instalment payment dates, the credit balance of your MortgageOne account equals or exceeds the limit for the MortgageOne facility. This is debited against your MortgageOne account.
- 15.2 You and each participant (in the case of a linking facility) authorise us to deduct all fees and costs from the nominated account.

16 MortgageOne cancellation

We may cancel a MortgageOne facility at any time if the MortgageOne facility net balance is zero or positive for a period longer than that stated in the letter of offer. If we do so within one year from the drawdown of the loan, we may charge you a cancellation fee (see the letter of offer and the tariff booklet).

However, despite our cancellation, if you ask, we may agree to you making further drawings from the MortgageOne facility. We will notify you of the interest rate and other terms that apply.

Part D - Additional features

17 Property insurance

This clause is in addition to the "Insurance" clause in the Customer Terms.

- 17.1 You must ensure that the property is insured for the risks we specify. The sum insured:
- for any property must be at least equal to the balance owing for the account [for the mortgage facility in connection with which the security is provided]; or
 - for property must be equal to the reinstatement value.
- 17.2 We are not liable to you for any loss you suffer in connection with any lapse of insurance cover and you must ensure each insurance policy is renewed on time.
- 17.3 You must notify us in writing before any building work is carried out on the property and maintain a contractors all risks policy.

Part E - Meaning of words

18 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 our letter of offer, or as otherwise notified by us to you.

disbursement notice means, for a mortgage facility, the notice we send you setting out the disbursement and instalment schedule. It supplements and is to be read with the letter of offer.

government housing scheme means any scheme implemented by a government authority or agency to provide assistance in connection with the purchase of a property.

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

linked account means, for a linking facility, each savings account or a current account you and we agree is a linked account for the purposes of the linking facility.

linking facility means MortgageOne facility we agree to enter into with you and each participant.

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

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

MortgageOne account means, for a MortgageOne facility, the current account you open and maintain with us which is linked to your MortgageOne facility.

MortgageOne facility means the loan facility with the name MortgageOne which we offer to you as stated in our letter of offer.

MortgageOne net balance means, for a particular day and a MortgageOne facility, the balance owing for the MortgageOne facility minus the credit balance (if any) in the MortgageOne account.

normal interest means, for an account, interest that would (but for any MortgageOne facility) normally accrue on the account.

participant means each person, in addition to you, specified in your application to be a participant under a linking facility.

payment holiday means the period (if any) during which we agree to suspend your minimum monthly repayments.

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