



Supplementary Instructions to Scottish Solicitors re: **Deeds of Postponement**

These instructions are in addition to and do not replace the Bank's instructions. Where a Standard Security in favour of a Third Party ranks prior to a Security in favour of the Bank or which is to be granted in favour of the Bank and where you have been instructed by the Bank to obtain a Deed of Postponement, the following applies:

There are two scenarios:

The borrower is to grant a Standard Security in favour of the Bank, but has already granted a Standard Security in favour of a Third Party which Standard Security is to be postponed to the new Security in favour of the Bank.

The Bank is making a further advance to the Borrower under a pre-existing Security in favour of the Bank, but since the creation of that Security the Borrower has granted a Security in favour of a third party which is to be postponed to the further advance being made by the Bank.

In dealing with this transaction you should observe the normal conveyancing requirements of the Bank by way of Searches etc. all as detailed in the Bank's instructions to solicitors.

Our style Deed of Postponement is available. This should be utilised and the definitions should be completed as follows:

Chargeholder	The name and address of the party holding the other Security over the property which is to be postponed.
Borrower	The full names and addresses of the Borrower.
Property	The postal address of the property.
Bank's Security	<p>The Security in favour of the Bank including the date, registration date and title number in Land Register cases and the date, recording date and County in Sasines cases.</p> <p>In circumstances where the Bank's Security has been dated but not recorded please insert <i>"Standard Security by the Borrower in favour of the bank dated ** and about to be [recorded in the Division of the General Register of Sasines for the County of **]/[registered in the Land Register of Scotland under Title Number **]"</i>.</p> <p>Where the Standard Security has not yet been executed, the following should be included: <i>"Standard Security about to be granted by the Borrower in favour of the Bank and [recorded in the Division of the General Register of Sasines for the County of **]/[registered in the Land Register of Scotland under Title Number **]"</i>.</p>
Chargeholder's Security	Please insert the full details of the Standard Security in favour of the Chargeholder.
Preference	<p>This definition is to provide the actual ranking provisions. Where the Bank's Security is to rank in front of the Third Party's Security in entirety the following clause should be utilised:</p> <p><i>"all sums due and to become due by the Borrower to the Bank together with all interest charges and expenses"</i></p> <p>Where the Chargeholder's Security is to be postponed, but that only to a fixed sum the following clause should be applied:</p> <p><i>"all sums due and to become due to the Bank by the Borrower but that only to the extent of *** (£***) Sterling of principal together with all interest charges and expensed thereon"</i>.</p>