

## MCOB 5 Annex 1R

The mortgage illustration: table of contents, prescribed text and prescribed section headings and subheadings.

1. This annex belongs to *MCOB 5.6.2R*.

2. The underlined text indicates instructions that must not be included in the *illustrations* provided to *customers*.



about this mortgage

**Personalised illustration for:** insert *customer's* name – see *MCOB 5.6.15R (1)*

**Date produced:** insert date – see *MCOB 5.6.15R (2)*

**Insert details of how long the *illustration* is valid for, and if appropriate when the mortgage needs to commence by – see *MCOB 5.6.15R (3)***

This is not a legally binding mortgage offer and it does not oblige [name of *mortgage lender*] to provide you with the mortgage described in this illustration.

### 1. About this illustration

We are required by the Financial Services Authority (FSA) – the independent watchdog that regulates, financial services – to provide you with this illustration.

All firms selling mortgages are required to give you illustrations like this one, that contain similar information presented in the same way.

Ensure that you obtain other illustrations if you want to compare this mortgage with mortgages from other lenders.

### 2. Which service are we providing you with?

We recommend, having assessed your needs, that you take out this mortgage.

We are not recommending a particular mortgage for you. However, based on your answers to some questions, we are giving you information about this mortgage so that you can make your own choice.

### 3. What have you told us

See *MCOB 5.6.18R* to *MCOB 5.6.24G*

### 4. Description of this mortgage

See *MCOB 5.6.25R* to *MCOB 5.6.30G*

For *foreign currency mortgages* see also *MCOB 5.6.127R* to *MCOB 5.6.128R*

For *shared appreciation mortgages* see also *MCOB 5.6.129R* to *MCOB 5.6.131R*

### 5. Overall cost of this mortgage

See <i>MCOB 5.6.31R</i> to <i>MCOB 5.6.38R</i>	
See <i>MCOB 5.6.34R</i> to <i>MCOB 5.6.36G</i>	
The total amount you must pay back, including the amount borrowed is	£[insert details]
This means you pay back	£[insert details] for every £1 borrowed
The overall cost for comparison is	[insert details] % APR
See <i>MCOB 5.6.37R</i>	
For <i>shared appreciation mortgages</i> see <i>MCOB 5.6.129R(2)</i>	

<b>6. What you will need to pay each [insert frequency of payments from <i>MCOB 5.6.40R</i> e.g. monthly]</b>	<b>[insert frequency of payments from <i>MCOB 5.6.40R</i> e.g. monthly] payments</b>
See <i>MCOB 5.6.41R</i> to <i>MCOB 5.6.51R</i>	Insert amounts(s)
For multi-part mortgages see <i>MCOB 5.6.45R</i>	
For mortgages without a term or a regulator payment plan (e.g. secured bridging loans or <i>mortgage credit cards</i> ) see <i>MCOB 5.6.134R</i> to <i>MCOB 5.6.138G</i>	

This box is required only where all or part of the mortgage is an <i>interest-only mortgage</i> . It must be deleted for <i>repayment mortgages</i> .	Insert amounts(s)
<b>Cost of repaying the capital</b>	
See <i>MCOB 5.6.52R</i> to <i>MCOB 5.6.53G</i>	
This section is required only for multi-part mortgages where there is a future change in the interest rate(s) charges. It must be numbered as a subset (e.g. 6a) to follow the preceding section.	<b>[insert frequency of payments from <i>MCOB 5.6.40R</i> e.g. monthly] payments</b>
<b>6a. What will you need to pay in future</b>	
See <i>MCOB 5.6.55R</i> to <i>MCOB 5.6.57G</i>	Insert amounts(s)

This section is required only for deferred interest rate mortgages. It must be numbered as a subset (e.g. 6b) to follow the preceding section.				
<b>[...]. Effect of deferring interest on the amount you owe</b>				
This table shows the effect of the deferred interest being added to the amount you owe. <u>Where the interest rate is variable</u> : The amounts shown in the table could be considerably different if the interest rate changes.				
See <i>MCOB 5.6.132R</i>				
Year	Interest deferred	Amount of deferred interest that is added to the mortgage	Remaining debt before deferred interest is added	Remaining debt with deferred interest added
<b>7. Are you comfortable with the risks?</b>				

See *MCOB 5.6.59R* to *MCOB 5.6.65R*

For mortgages without a term or a regular payment plan (e.g. secured bridging loans or *mortgage credit cards*) see *MCOB 5.6.140R* to *MCOB 5.6.145R*

<b>8. What fees must you pay?</b>	<b>Fee amount</b>
<b>Fees payable to</b> [insert name of <i>mortgage lender</i> ]  See <i>MCOB 5.6.66</i> to <i>MCOB 5.6.71G</i>	Insert amount of each fee
<b>Other Fees</b>  See <i>MCOB 5.6.66</i> to <i>MCOB 5.6.71G</i>	Insert amount of each fee

<b>9. Insurance</b>	<b>[insert frequency of payments for premium quoted payments]</b>
<b>Insurance you must take out through</b> [insert name of <i>mortgage lender</i> or <i>mortgage intermediary</i> ]  See <i>MCOB 5.6.73R</i> to <i>MCOB 5.6.76G</i>	Insert amounts(s) if appropriate
<b>Insurance you must take out as a condition of this mortgage but that you do not have to take out through</b> [insert name of <i>mortgage lender</i> or <i>mortgage intermediary</i> ]  See <i>MCOB 5.6.77R</i> to <i>MCOB 5.6.83G</i>	Insert amounts(s) if appropriate
This box is required only where quotations for optional insurance are provided in the <i>illustration</i>  <b>Optional Insurance</b>  See <i>MCOB 5.6.80R</i> to <i>MCOB 5.6.83G</i>	Insert amounts(s)

<b>10. What happens if you do not want this mortgage any more?</b>
<b>Early repayment charges</b>  See <i>MCOB 5.6.84R</i> to <i>MCOB 5.6.89R</i>  <b>What happens if you move house?</b>  See <i>MCOB 5.6.84R</i> (2)

<b>11. What happens if you want to make overpayments?</b>
See <i>MCOB 5.6.90R</i> to <i>MCOB 5.6.91G</i>

<b>12. Additional features</b>
See <i>MCOB 5.6.92R</i> to <i>MCOB 5.6.112G</i>

<b>13. Using a mortgage intermediary</b>
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[This section is required only when the *illustration* is provided to a *customer* by, or on behalf of, a *mortgage intermediary*. If the *illustration* is provided by a *mortgage lender*, this section must be removed and Section 14 must be renumbered Section 13]

See *MCOB 5.6.113R* to *MCOB 5.6.116G*

**[...]. Where can you get more information about mortgages?**

The Consumer Financial Education Body publishes useful guides on choosing a mortgage. These are available free through its website: [www.moneymadeclear.org.uk](http://www.moneymadeclear.org.uk), or by calling 0300 500 5000. The website also provides Comparative Tables to help you shop around.

**Contact details**

See *MCOB 5.6.122R* to *MCOB 5.6.123G*

**Your home may be repossessed if you do not keep up repayments on your mortgage – see *MCOB 5.6.124R* to *MCOB 5.6.125G***

For *foreign currency mortgages* add the following risk warning (see *MCOB 5.6.128R*):

**Changes in the exchange rate may increase the sterling equivalent of your debt**

Last updated: 06 July 2010