

Chapter 5A

MCD Pre-application disclosure



5A.5 Content of European Standardised Information Sheets (ESISs)

Content, order, format etc

- 5A.5.1 **G** ■ MCOB 5A.5 sets out the required content of an *ESIS* provided to a *consumer* by a *firm*.
- 5A.5.2 **R** An *ESIS* provided to a *consumer* must follow the form and contain the material in ■ MCOB 5A Annex 1 R.
- 5A.5.3 **R** A *firm* must:
 - (1) reproduce the text in ■ MCOB 5A Annex 1 R in the *ESIS*;
 - (2) replace the indications between square brackets with the corresponding information;
 - (3) complete the *ESIS* in accordance with ■ MCOB 5A Annex 2;
 - (4) wherever the words “where applicable” are indicated:
 - (a) provide the information required, if it is relevant to the *MCD regulated mortgage contract*; or
 - (b) where the information is not relevant to the *MCD regulated mortgage contract*, delete the information in question or the entire section (for example, in cases where the section is not applicable);
 - (5) if it deletes an entire section, adjust the numbering of the *ESIS* sections accordingly;
 - (6) provide the *ESIS* in a single document;
 - (7) ensure that the font used is clearly readable;
 - (8) use bold font, shading or larger font sizes for the information elements to be highlighted; and
 - (9) highlight all applicable risk warnings.

[Note: article 14(2) and Annex II, Part A, preamble of the *MCD*]

- 5A.5.4** **G**
- (1) The *ESIS* can contain the *MCD mortgage lender's* or *MCD mortgage credit intermediary's* logo and other 'brand' information, so long as the requirements of **■ MCOB 5A.5** are satisfied.
 - (2) The *ESIS* can contain page numbers and other references that aid understanding, record keeping and identification of a particular *ESIS*, such as the date and time it is produced or a unique reference number, provided these do not detract from the content of the *ESIS*.
 - (3) *Firms* are reminded of their general obligation for communications to *consumers* to be clear, fair and not misleading. Sections of the *ESIS* may be split across pages where it is impractical to do otherwise. When splitting sections, *firms* should split the section at an appropriate place, for example at the end of a sub-section, and not split tables or risk warnings.

Content: required information

- 5A.5.5** **R** The *ESIS* provided to *consumers* must:
- (1) contain only the material prescribed in **■ MCOB 5A.5** and no other material; and
 - (2) be in a document separate from any other material that is provided to the *consumer*.

5A.5.6 **G** A *firm* should not illustrate more than one *MCD regulated mortgage contract* in the same *ESIS*, for example by using one *ESIS* to compare alternative products, repayment methods or repayment terms.

5A.5.7 **G** *Firms* are reminded that they must comply with **■ MCOB 7.6.5R** in respect of the release of loan instalments after the start of the *MCD regulated mortgage contract*.

Content: retirement interest-only mortgage

- 5A.5.8** **R** For a *retirement interest-only mortgage* where, in accordance with **■ MCOB 1.2.16R(1)**, the *firm* elects to provide an *ESIS* instead of an *illustration*:
- (1) the *ESIS* may diverge from the requirements of **■ MCOB 5A** where it is necessary to do so to describe a *retirement interest-only mortgage*, and
 - (2) the *firm* must also comply with **■ MCOB 5.4.25R**, **■ MCOB 5.4.26R** and **■ MCOB 5.6.6R** as though a reference to an *illustration* is a reference to an *ESIS*.