

Chapter 1

Application and general provisions

1.1 Application

Application

1.1.1

G

This sourcebook applies to a *firm* with *Part 4A permission* to carry on:

- (1) *insurance distribution activity*;
- (2) *home finance mediation activity*;
- (3) *home financing*;
- (4) *home finance administration*; and
- (5) *insurance business*;

as specified in the beginning of each of the remaining chapters.



1.2 Actions for damages

1.2.1

R

A contravention of the *rules* in this sourcebook does not give rise to a right of action by a *private person* under section 138D of the *Act* (and each of those *rules* is specified under section 138D(3) of the *Act* as a provision giving rise to no such right of action).

1.3 Remuneration and property valuation requirements for MCD creditors

Application

- 1.3.1 **R** ■ MIPRU 1.3 applies to an *MCD creditor* other than an *incoming EEA firm*.

Property valuation requirements

- 1.3.2 **R** For the valuation of residential immovable property to enter into an *MCD credit agreement*:
- (1) an *MCD creditor* must use reliable standards for the valuation where the valuation is carried out by the *MCD creditor*; or
 - (2) where the valuation is carried out by a third party, the *MCD creditor* must take reasonable steps to ensure that reliable standards are used.

[Note: article 19(1) of the *MCD*]

- 1.3.3 **G** For the purposes of ■ MIPRU 1.3.2 R:
- (1) reliable standards for the valuation of residential immovable property include internationally recognised valuation standards, in particular those developed by the International Valuation Standards Council (IVSC), the European Group of Valuers' Associations (EGoVA) or the Royal Institution of Chartered Surveyors (RICS), as well as the standards in ■ BIPRU 3.4.77 R to ■ BIPRU 3.4.80 R or, where applicable, ■ MIPRU 4.2F.27 R to ■ MIPRU 4.2F.29 R.

[Note: recital 26 of the *MCD*]

- (2) the *MCD creditor* is not limited to on-site inspections where it is possible to demonstrate that any risks posed have been adequately assessed through the overall collateral management process.

- 1.3.4 **R** An *MCD creditor* must ensure that:

- (1) internal and external appraisers conducting property valuations are professionally competent and sufficiently independent from the credit

underwriting process so they can provide an impartial and objective valuation; and

(2) property valuations are documented in a *durable medium*.

[Note: article 19(2) of the *MCD*]

