

Chapter 8

Criteria for credit granting

8.3 Verification arrangements

8.3.1 **R** Where the underlying exposures of *securitisations* are residential loans made on or after 20 March 2014, the pool of those loans shall not include any loan that is marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender.

8.3.2 **R** Where an *originator* purchases a third party's exposures for its own account and then securitises them, that *originator* shall verify that the entity which was, directly or indirectly, involved in the original agreement which created the obligations or potential obligations to be securitised fulfils the requirements referred to in **■** SECN 8.3.1R (or equivalent *PRA rules*).

8.3.3 **R** **■** SECN 8.3.2R does not apply if:

- (1) the original agreement, which created the obligations or potential obligations of the debtor or potential debtor, was entered into before 20 March 2014; and
- (2) the *originator* that purchases a third party's exposures for its own account and then securitises them meets the obligations that *originator* institutions were required to meet under Article 21(2) of Commission Delegated Regulation (EU) No 625/2014 before 1 January 2019.