

MORTGAGE CREDIT DIRECTIVE (AMENDMENT) INSTRUMENT 2015

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the powers and related provisions in or under the following sections of the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 21 March 2016 immediately after the coming into force of Annex B and Part 2 of Annex D (for purposes other than Part 1 of Annex D) to the Mortgage Credit Directive Instrument 2015.

Amendments to the FCA Handbook

- D. The Training and Competence sourcebook (TC) is amended in accordance with Annex A to this instrument.
- E. The Mortgages and Home Finance: Conduct of Business sourcebook (MCOB) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Mortgage Credit Directive (Amendment) Instrument 2015.

By order of the Board of the Financial Conduct Authority
30 July 2015

Annex A

Amendments to the Training and Competence sourcebook (TC)

In this Annex, underlining indicates new text.

TP 9 Transitional Provisions relating to MCD credit agreement activities

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provisions: coming into force
9.1	2.1.5B	R	<p>A <i>firm</i> <u>that before 20 March 2014 was carrying on activities that with effect from 21 March 2016 would amount to acting as an <i>MCD credit intermediary</i> or an <i>MCD creditor</i> may comply with the <i>TC rules</i> as they were in force on 20 March 2016.</u></p> <p>[Note: article 43(3) of the <i>MCD</i>]</p>	From 21 March 2016 to 21 March 2017	21 March 2016
...					

Annex B

Amendments to the Mortgages and Home Finance (Conduct of Business) sourcebook (MCOB)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1.2 General application: who? what?

...

Applicability of MCOB to second charge mortgage contracts entered into before 21 March 2016

1.2.20 ~~R~~
G From 21 March 2016, where a *second charge mortgage contract* was entered into before 21 March 2016 (subject to certain exceptions in article 28 of the Mortgage Credit Directive Order 2015) the ~~following~~ provisions of *MCOB* that apply include:

~~(a)~~
(1) *MCOB* 7 (disclosure at start of contract and after sale);

~~(b)~~
(2) *MCOB* 12 (charges);

~~(c)~~
(3) *MCOB* 13 (arrears, payment shortfalls and repossessions: regulated mortgage contracts and home purchase plans);

...

TP1.1 Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
46	<i>MCOB</i> 5A, <i>MCOB</i> 6A and <i>MCOB</i> 7B	R	A <i>firm</i> that applies TP 45 must also provide the information in (1), (3) (2) and either <u>(3)(a) or (3)(b)</u> below: (1) for a variable interest rate loan, the warning and the additional APRC required by section 4 of <i>MCOB</i> 5A Annex 1 and <i>MCOB</i> 5A	From 21 March 2016 until 21 March 2019	21 March 2016

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~~Annex 2, 6.2R to 6.8R;~~

- (~~2~~) for a *foreign currency loan*, the warning and illustrative example required by section 6 of *MCOB 5A Annex 1* and *MCOB 5A Annex 2, 8.6R*; ~~and~~
- (~~3~~) the reflection period required by *MCOB 6A.3.4R(1)* and (2), section 11 of *MCOB 5A Annex 1* and *MCOB 5A Annex 2, 13.1R*; ~~and~~
- (3) where the *borrowing rate* is variable:

(a) the warning and the additional *APRC* required by section 4 of *MCOB 5A Annex 1* and *MCOB 5A Annex 2, 6.2R to 6.8R*; or

(b) the information set out in (a), but reading references to “*APRC*” as references to “*APR*”.