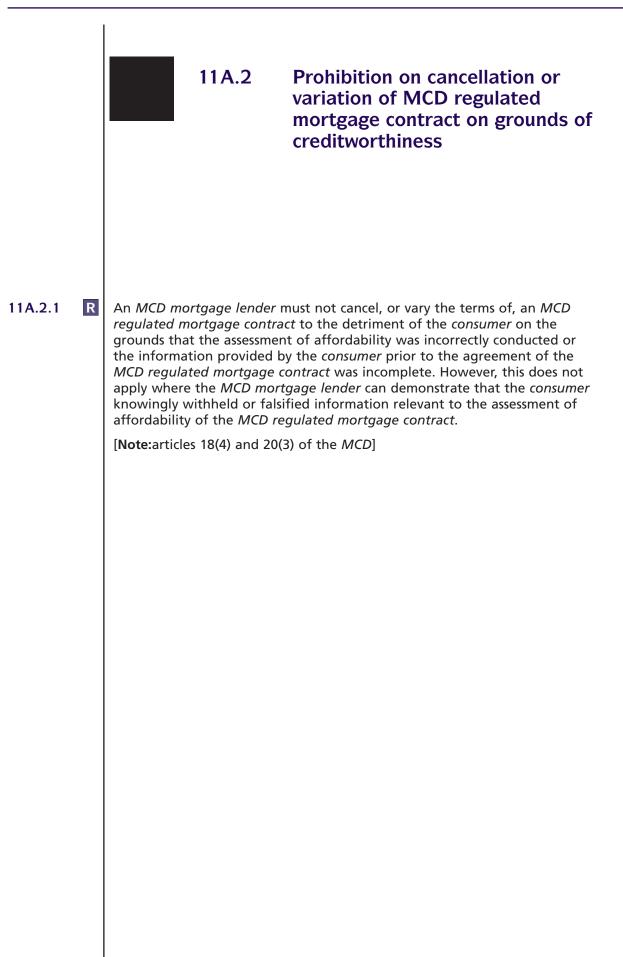
Mortgages and Home Finance: Conduct of Business Sourcebook

Chapter 11A

Additional MCD responsible lending requirements





11A

| | 11A.3 Obtaining information for, and assessment of, affordability from the consumer and rejecting an application |
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| 11A.3.1 R | An MCD mortgage lender must specify in a fair, clear and not misleading way, in good time before assessing affordability of a MCD regulated mortgage contract, to a consumer: (a) all the necessary information and independently verifiable evidence that the consumer needs to provide; and (b) the timeframe within which the consumer needs to provide the information or evidence. (2) A request for information or evidence under (1) must be proportionate and limited to what is necessary to conduct a proper affordability assessment. (3) A request for information or evidence under (1) may be made directly or through an MCD mortgage credit intermediary. The MCD mortgage lender or the MCD mortgage credit intermediary, if requesting on behalf of the MCD mortgage lender, must: |
| | (a) ensure the <i>consumer</i> is aware of the need to provide correct information in response to the request and that such information is as complete as necessary to conduct a proper assessment of affordability; and (b) warn the <i>consumer</i> that, where the <i>MCD mortgage lender</i> is unable to carry out an assessment of affordability because the <i>consumer</i> chooses not to provide the information or evidence necessary for an assessment of affordability, the credit cannot be granted. (4) The <i>MCD mortgage lender</i> may seek clarification, directly or through an <i>MCD mortgage credit intermediary</i>, of the information or evidence received in response to a request under (1), where necessary, to enable the assessment of affordability of an <i>MCD regulated mortgage contract</i>. [Note:article 20(3) and (4) of the <i>MCD</i>] |

11A.3.3

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11A.3.2 G An *MCD mortgage lender* must inform a *consumer* in advance if a database is to be consulted in conducting any assessment of affordability for an *MCD* regulated mortgage contract.

[Note:article 18(5)(b) of the MCD]

- (1) Where an MCD mortgage lender rejects a consumer's application for an MCD regulated mortgage contract, the MCD mortgage lender must inform the consumer without delay:
 - (a) of the rejection and, where applicable, that the decision is based on automated processing of data; and
 - (b) where the rejection is based on the result of the database consultation, of the result of such consultation and of the particulars of the database consulted.

[Note: article 18(5)(c) of the MCD]

(2) No obligation under (1) shall be interpreted in a manner which contravenes *data protection legislation*.

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