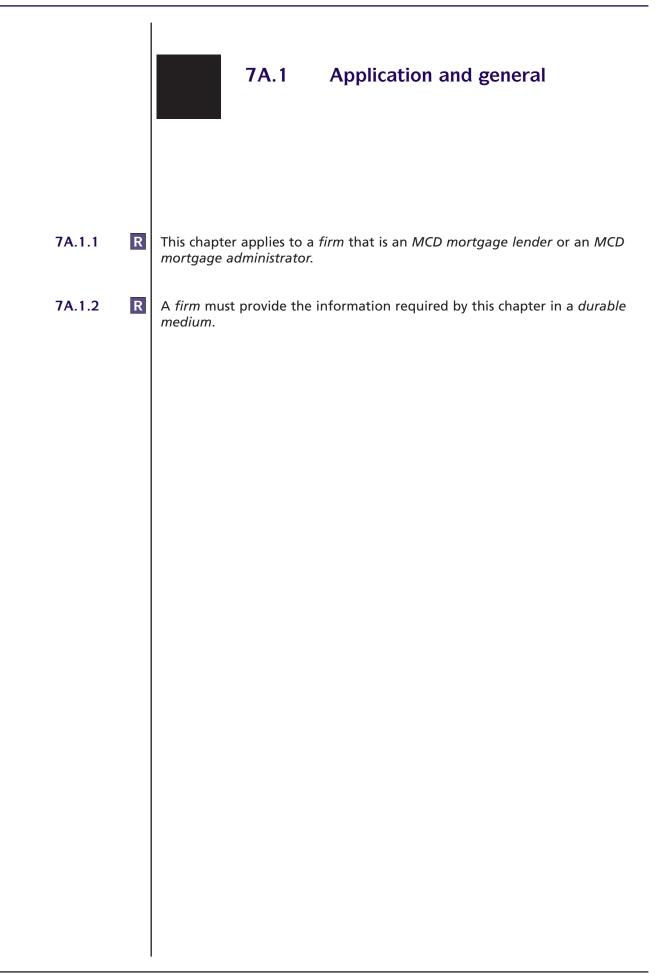
Mortgages and Home Finance: Conduct of Business Sourcebook

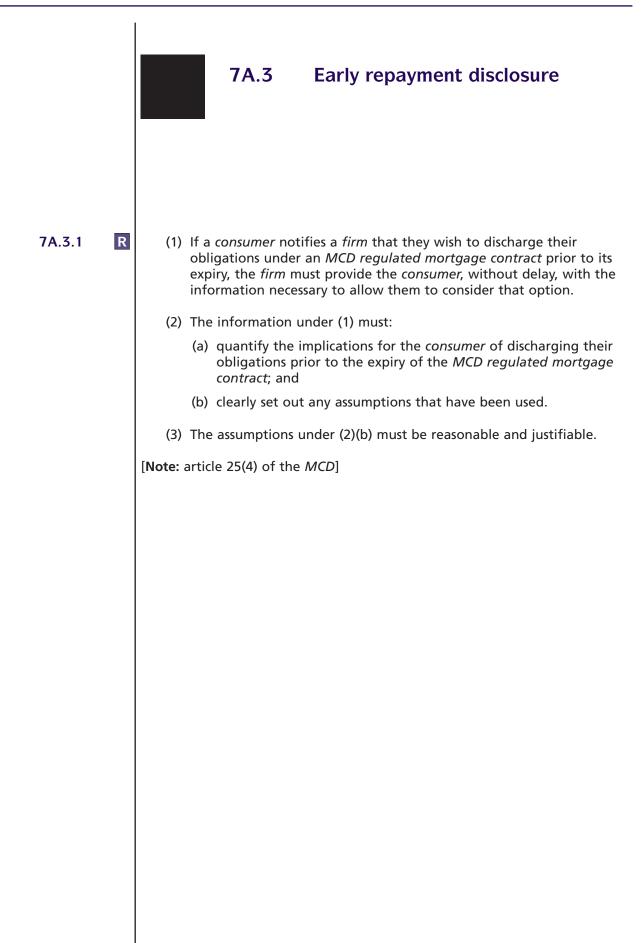
## Chapter 7A

## Additional MCD disclosure: start of contract and after sale



	7A.2 Notification of interest-rate changes
7A.2.1	<ul> <li>When giving notice to a consumer of any changes that the consumer is required to make resulting from interest-rate changes for an <i>MCD regulated mortgage contract</i>, a <i>firm</i> must:</li> <li>(1) give notice of the amount of the payments to be made after the new interest-rate change takes effect; and</li> <li>(2) where the number or frequency of the payments will change, give particulars of these changes.</li> </ul> [Note: article 27(1) of the <i>MCD</i> ]

## MCOB 7A : Additional MCD disclosure: start of contract and after sale



		7A.4 Foreign currency loans and significant exchange-rate movement disclosure
7A.4.1	R	<ul> <li>(1) A firm must warn any consumer with a foreign currency loan, on a regular basis, where the value of either: <ul> <li>(a) the total amount payable by the consumer which remains outstanding; or</li> <li>(b) the regular instalments;</li> <li>varies by more than 20% from what it would be if the exchange rate between the currency of the MCD regulated mortgage contract and the currency of the EEA State, applicable at the time of the conclusion of the MCD regulated mortgage contract, were applied.</li> </ul> </li> <li>(2) The warning in (1) must inform the consumer of a rise in the total amount payable by the consumer, setting out the right to convert to an alternative currency, where applicable, and the conditions for doing so. It must also explain any other applicable mechanisms for limiting the exchange-rate risk to which the consumer is exposed.</li> </ul>
7А.4.2	R	A firm must disclose to the consumer its arrangements for complying with the obligations in MCOB 7A.4.1 R in the MCD regulated mortgage contract. [Note: article 23(6) of the MCD]

	7A.5 Notification of changes resulting from auctions on the capital market
7A.5.1 R	In relation to an <i>MCD regulated mortgage contract</i> , where there is an auction on the capital markets which will, or might reasonably be expected to, result in an interest-rate change, the <i>firm</i> must give the <i>consumer</i> , in good time before the auction, notice in a <i>durable medium</i> of: (1) the upcoming procedure for the auction; and (2) an indication of how the interest rates could be affected. [Note: article 27(4) of the <i>MCD</i> ]