

Chapter 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

(1) A firm must warn any consumer with a foreign currency loan, on a regular basis, where the value of either:

- (a) the total amount payable by the consumer which remains outstanding; or
- (b) the regular instalments;

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.

(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.

[Note: article 23(4) of the MCD]

7A.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]