

SALE AND RENT BACK (REGULATORY REPORTING) INSTRUMENT 2010

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power);
 - (2) section 156 (General supplementary powers); and
 - (3) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purposes of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 30 June 2010.

Amendments to the Handbook

- D. The Supervision manual (SUP) is amended in accordance with Annex A to this instrument.
- E. The Dispute Resolution: Complaints sourcebook (DISP) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Sale and Rent Back (Regulatory Reporting) Instrument 2010.

By order of the Board
24 June 2010

Annex A

Amendments to the Supervision manual (SUP)

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

- 16.11.2 G (1) The purpose of this section is to set out the requirements for *firms* in the retail mortgage, investment, and *pure protection contract* markets specified in SUP 16.11.1R to report individual product sales data to the FSA. In the case of *firms* in the sale and rent back market, there is a requirement to record, but not to submit, the data. ~~The requirement applies~~ These requirements apply whether the *regulated activity* has been carried out by the *firm*, or through an intermediary which has dealt directly with the *firm*.

Reporting requirement

- 16.11.3 R (1) A *firm* must submit a report (the ‘data report’) containing the information required by SUP 16.11.5R quarterly, within 20 *business days* of the end of the quarter, unless (3) or (4) applies.

...

- (3) A *firm* need not submit a data report if no relevant sales have occurred in the quarter.

- (4) *A SRB agreement provider* must compile, and keep for at least five years from the end of the relevant quarter, a data report containing the information required by SUP 16.11.5R, but is not subject to the requirement in (1) to submit a data report (or to the requirement in SUP 16.11.9R).

...

Content of the report

- 16.11.5 R The data report must contain sales data in respect of the following products:

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- (4) *home purchase plans*; ~~and~~

- (5) *home reversion plans*; and

- (6) *regulated sale and rent back agreements*.

...

- 16.12.4 R Table of applicable rules containing *data items*, frequency and submission
-

periods

(1)		(2)	(3)	(4)
RAG number	Regulated Activities	Provisions containing:		
		applicable data items	reporting frequency/ period	Due date
...				
RAG 9	<ul style="list-style-type: none"> • mortgage mediation activity <u>home finance mediation activity</u> • insurance mediation activity (non-investment insurance contracts) 	SUP 16.12.28 <u>AR</u>	SUP 16.12.28 <u>AR</u>	SUP 16.12.28 <u>AR</u>
...				

...

16.12.18A R The applicable *data items*, reporting frequencies and submission deadlines referred to in SUP 16.12.4R are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period.

Description of data item <u>data item</u>	Data item <u>Data item</u> (note 1)	Frequency	Submission deadline
...			
Fees and levies	Section J MLAR	Annually	30 <i>business days</i>
<u>Sale and rent back</u>	<u>Section K MLAR</u>	<u>Annually</u>	<u>30 business days</u>
Note 1	When submitting the completed <i>data item</i> required, a <i>firm</i> must use the format of the <i>data item</i> set out in SUP 16 Annex 19AR. Guidance notes for the completion of the data items <u>data items</u> is set out in SUP 16 Annex		

	19BG.
...	

...

16 Annex 18BG Notes for Completion of the Retail Mediation Activities Return ('RMAR')

...

NOTES FOR COMPLETION OF THE RMAR

...

Section B: Profit & Loss Account

...

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section C: Client Money and assets

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section D: Regulatory Capital

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section E: Professional Indemnity Insurance

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section E: guide for completion of individual fields

...

Part 2

At this point, if the *firm* has PII policy details to report, it should do so by clicking on the ‘add PII policy’ button in the summary screen. This will then prompt you to name the sub-section, e.g. ‘policy1’. You may also add further sub-sections if the *firm* has two or more policies (up to a maximum of ten).

What activities are covered by the policy(ies)?	You should indicate which <i>regulated activities</i> are covered by the <i>firm</i> ’s PII policy or policies.
If your policy excludes all business activities carried on prior to a particular date (i.e. a retroactive start date), then insert the date here, if not please insert ‘n/a’	Required terms of PII are set out for <i>personal investment firms</i> in IPRU(INV) 13.1.5R and for <i>mortgage home finance intermediaries</i> and <i>insurance intermediaries</i> in MIPRU 3.2.4R. ...
...	
Annual income as stated on the most recent proposal form	This should be the income as stated on the <i>firm</i> ’s most recent PII proposal form. For a <i>personal investment firm</i> , this is relevant income arising from all of the <i>firm</i> ’s activities for the last accounting year before the policy began or was renewed (IPRU(INV) 13.1.8R). For <i>insurance intermediaries</i> and <i>mortgage home finance intermediaries</i> this is the annual income given in the <i>firm</i> ’s most recent annual financial statement from the relevant <i>regulated activity</i> or activities (MIPRU 4.3.1R to 4.3.3R).
...	

...

Section F: the *threshold conditions*

...

Sub-heading: ~~approved persons~~

~~The approved persons regime is one of the ways in which the FSA satisfies itself that firms are operating in accordance with *threshold conditions* 4 (adequate resources) and 5 (suitability).~~

~~An “approved person” is a *person* in relation to whom the FSA has given its approval under the Act for the performance of a *controlled function*. In broad terms, the individuals the FSA approves fall into the following categories:~~

- ~~• individuals exerting significant influence over the *firm*’s *regulated activities*;~~
- ~~• individuals dealing directly with *customers*; and~~

~~• individuals dealing with the property of customers.~~

~~For retail investment firms, all individuals undertaking controlled functions in relation to the above categories are subject to the approved persons regime.~~

~~For firms carrying on home finance mediation activity and/or insurance mediation activity relating to non-investment insurance contracts, the ‘significant influence’ category is subject to the approved persons regime, but not the ‘customer functions’.~~

~~See, generally, SUP 10.4 for specification of significant influence functions and customer functions.~~

...

Section G: Training & Competence (‘T&C’)

Note: ~~Home purchase~~, ~~and reversion~~ and regulated sale and rent back activity should be included under the existing mortgage headings in this section of the RMAR.

...

Section G: guide for completion of individual fields

...	
Number of advisers that have passed appropriate examinations	<p>This is a subset of the total in ‘number of staff that give advice’ above.</p> <p>In the case of certain activities, TC 2 imposes requirements on firms in relation to their employees and passing examinations. See, for example, requirements relating to employees engaged in <i>advising a customer on a home finance transaction other than a home finance transaction that the firm has concluded solely for a business purpose (Table TC 2.1.4R (1)(p)) regulated mortgage contract for a non-business purpose (TC Appendix 1.1.1(20)), and requirements relating to employees engaged in advising on investments which are packaged products (Table TC 2.1.4R (1)(f)) (TC Appendix 1.1.1(4)).</i></p> <p>...</p>
...	

...

Section H: Conduct of Business (‘COBS’) Data

Note: ~~Home purchase~~ ~~and reversion activity~~ should be included under the existing mortgage headings in this section of the RMAR.

...

Section I: supplementary product sales data

...

Sub-heading: (iii) ~~Dealing as agent for non-investment insurance contracts~~

This section captures transactions with *retail customers* by *firms* with delegated authority (e.g. where the *firm* can bind risks on behalf of the *insurance undertaking* without further reference to the *insurance undertaking*). *Firms* are required to submit aggregate volumes and value of this business, and to indicate which products they have dealt in.

Firms are also required to indicate whether this business is significant. 'Significant', in this context, is where the premium collected in relation to business where the *firm* dealt as agent amounts to (a) more than 40% of premium collected for all non investment insurance business, or (b) more than 40% of premium collected for all business in a particular product). Again, this enables us to ascertain the importance of this business to the *firm* and to target thematic work in this area.

Sub-heading: (iv) ~~claims handling~~

The activity of '~~assisting in the administration and performance of a contract of insurance~~' encompasses claims handling on behalf of *customers*, and this section aims to capture information on claims handling that is not collected from product providers as part of PSD.

This enables us to ascertain the importance of this activity to the *firm* and to target thematic work in this area. *Firms* should note that where claims are handled on behalf of an *insurer* only, this does not constitute a *regulated activity*.

Sub-heading: (v) ~~Lloyd's brokers — product sales data~~

This information is required because data on business placed through Lloyd's is not collected as part of product sales data. To fill the gap, this section requires Lloyd's brokers to submit data on the percentage of revenue earned through their *regulated activities* that is derived from retail, commercial and reinsurance business. This information is used alongside the product sales data to inform our thematic supervision work.

...

Section J: data required for calculation of fees

Note: *Home purchase*, ~~and reversion~~ and regulated sale and rent back activity should be included under the existing mortgage headings in this section of the RMAR.

...

After the existing section J, insert the following new section. The text is not underlined.

K SALE & RENT BACK (SRB) BUSINESS		Regulated Number	Amount
K1	Overall business summary (opening & closing stocks with key transactions)		
K1.1	SRB agreements at start of quarter	_____	_____
K1.2	New sales in quarter	_____	_____
K1.3	Disposals in quarter	_____	_____
K1.4	Business transfer: acquisitions	_____	_____
K1.5	Business transfer: sales	_____	_____
K1.6	Other	_____	_____
K1.7	SRB agreements at end of quarter	_____	_____
K1.8	SRB agreements arranged for unauthorised person	_____	_____

K SALE & RENT BACK (SRB) BUSINESS

		Regulated Number	Amount
K2	New business in Quarter		
Sales : analysed by discount on open market value (OMV)			
K2.1	0% – 30%	_____	_____
K2.2	30% – 40%	_____	_____
K2.3	> 40%	_____	_____
K2.4	Weighted average of all sales	<input type="text"/>	<input type="text"/>
Sales : analysed by provider fees charged			
K2.5	Over £1000	_____	_____
K2.6	Under £1000	_____	_____
K2.7	Weighted average fees charged	<input type="text"/>	<input type="text"/>
Sales : analysed by annual rent as % sale value			
K2.8	Average annual rent per month	_____	_____
K2.9	Average rental yield	_____	_____

SALE & RENT BACK (SRB) BUSINESS

K3 SRB agreements terminated or transferred in the quarter:

		Agreements Terminated by Firm	Agreements Terminated by Seller
K3.1	< 12 Months	_____	_____
K3.2	12 - 36 Months	_____	_____
K3.3	36 - 60 Months	_____	_____
K3.4	60 - 72 Months	_____	_____
K3.5	> 72 Months	_____	_____
K3.6	Avg Duration of Agreement	<input type="text"/>	<input type="text"/>

Total Sales (Transfers & Disposals)		Transfers Number	Amount	Disposals	
				Number	Amount
K3.7	Original SRB values	_____	_____	_____	_____
K3.8	Current SRB book values	_____	_____	_____	_____
K3.9	Actual disposal/transfer values	_____	_____	_____	_____

SALE & RENT BACK (SRB) BUSINESS

K4 SRB agreements at end of quarter: cases 10% or more in arrears

		<u>Regulated</u>		
		Cases in arrears at end quarter		
Arrears categorisation		Number	Amount of arrears	Annual rentals
K4.1	10 < 20 %	_____	_____	_____
K4.2	20 < 30 %	_____	_____	_____
K4.3	30 < 40 %	_____	_____	_____
K4.4	40 < 50 %	_____	_____	_____
K4.5	50 < 75 %	_____	_____	_____
K4.6	75% or more	_____	_____	_____
K4.7	All cases	<input type="text"/>	<input type="text"/>	<input type="text"/>

SALE & RENT BACK (SRB) BUSINESS

**SRB
administrators**

K5

K5.1 Regulated SRB agreements administered

K5.2 Number of SRB agreements administered

K5.3 Number of SRB agreements administered for other firms

Number of SRB agreements administered for other firms - top 5 firms

	Firm Ref Number (FRN)	Number of SRB agreements administered
K5.4	1: _____	1: _____
K5.5	2: _____	2: _____
K5.6	3: _____	3: _____
K5.7	4: _____	4: _____
K5.8	5: _____	5: _____

Amend the following as shown.

16 Annex 19BG Notes for Completion of the Mortgage Lending and Administration Return ('MLAR')

NOTES FOR COMPLETION OF THE MORTGAGE LENDING & ADMINISTRATION RETURN ('MLAR')

Contents

...

Section J Fee tariff measures

Section K Sale and rent back business

...

INTRODUCTION: GENERAL NOTES ON THE RETURN

1. Introduction

This section covers a number of points that have relevance across the return generally:

...

- *Home Reversion plans and Home Purchase plans*
- Sale and rent back business

...

2. Overview of reporting requirements

...

Because the *MLAR* is activity based, it sets out the reporting requirements for a number of different *firm* types. We expect *firms* to complete the requirements as follows:

...

- a *firm* carrying on *administering a home finance transaction*, but not also *home finance providing activity*, will need to complete sections A, B, C, G, H and J of the *MLAR*.
- *SRB agreement providers and SRB administrators* should complete sections A, B, C, J and K of the *MLAR*. (See section 4b for more information for *sale and rent back firms*.)

3. Purpose of reporting requirements

...

Table J provides information on fee tariff measures for *home finance providers* and *administrators*.

Table K provides the framework for the *FSA's* monitoring of *SRB agreement providers* and *SRB administrators*

...

4a. Home reversion and home purchase plans

...

...and hence such information should be excluded from section H.

4b. Sale and rent back business

Definitions

Regulated sale and rent back agreement.

This is defined in the Handbook as follows:

(in accordance with article 63J(3)(a) of the *Regulated Activities Order*) an arrangement comprised in one or more instruments or agreements, in relation to which the following conditions are met at the time it is entered into:

(a) the arrangement is one under which a *person* (an agreement provider) buys all or part of the *qualifying interest in land* in the *United Kingdom* from an individual or trustees (the "agreement seller"); and

(b) the agreement seller (if he is an individual) or an individual who is the beneficiary of the trust (if the agreement seller is a trustee), or a related person, is entitled under the arrangement to occupy at least 40% of the land in question as or in connection with a dwelling, and intends to do so;

but excluding any arrangement that is a regulated *home reversion plan*.

Guidance to sale and rent back (SRB) firms on the completion of the MLAR

This section explains how SRB *firms* should complete the *MLAR*.

SRB providers and administrators should complete the following sections of the *MLAR*:

- Section A (balance sheet);
- Section B (profit and loss account);
- Section C (capital);
- Section J (fees tariff measures); and
- Section K (sale and rent back business).

SRB firms should **not** complete sections D to H in respect of their SRB business.

It is recognised that SRB products are not loans. However, in order to use the MLAR as a vehicle for capturing data on these products, they are to be treated in **some** sections of the MLAR as if they were loan products. Therefore SRB providers should note the following in relation to their reporting of SRB agreements:

In section A

- Do **not** enter any information on SRB agreements in A1.6 ‘Loans to customers’.
- Report SRB assets in A1.11.
- Details of SRB agreements should be entered in A3.5 ‘Other loans’, in the ‘Unsecuritised balances’ section.

In Section B

- Where applicable, information on SRB agreements should be entered in B2.5 ‘Other loans’.

As a consequence the FSA will be able to capture key information on these products.

5. Accounting conventions

...

After SECTION J: FEE TARIFF MEASURES, insert the following new section. The text is not underlined.

SECTION K: SALE AND RENT BACK BUSINESS (SRB)

Introduction

This section must be completed as follows:

- *SRB agreement providers* must complete K1 to K5
- *SRB administrators* must complete K6
- *Firms* that are both *SRB agreement providers* and *SRB administrators* must complete K1 to K6.

K SRB: Residential sales by individuals

It is expected that *firms* will have the following to report:

- regulated SRB agreements: in respect of transactions entered into since SRB became a *regulated activity*, and
- non-regulated SRB agreements: in respect of transactions of a similar nature entered into before SRB became a *regulated activity*; and also any new contract that, while not meeting the precise conditions for a regulated contract, nonetheless has similar characteristics (for example cases where

the *firm* has purchased a property under value and rents an alternative property to the seller).

This approach means that all new and existing sale and rent back agreements – whether regulated or not, and whether transacted before or after SRB became a *regulated activity* – must be reported by the *firm* in section K.

K1 Overall business summary

This section looks at the *firm*'s SRB position at the start of the reporting quarter, at the various movements in the quarter, and at the end quarter position. Details required are:

- K1.1 **SRB agreements at start of quarter:** those agreements that existed at the end of the previous quarter. This line should normally agree with figures reported as at the previous quarter end.
- K1.2 **New sales in quarter:** new SRB agreements transacted in the quarter, where the *firm* has obtained title to the property and monies have been paid to the SRB seller. 'Amount' is the sale value (paid to seller) and should be reported gross, that is, before the deduction of any fees and charges.
- K1.3 **Disposals in quarter:** SRB agreements where the *firm* has sold the actual property. 'Amount' is the SRB value of the contract as used for the same contract reported in K1.1. Transfers or sales of SRB agreements should be reported under 'Business transfers-sales' below.
- K1.4 **Business transfer-acquisitions:** where the *firm* acquires one or more existing SRB agreements from another party or parties.
- K1.5 **Business transfer- sales:** where the *firm* sells one or more existing SRB agreements to another party or parties. Include also transfers of such agreements to any party.
- K1.6 **Other:** include any other amounts which affect the balances reported in K1.1 and K1.7, that is which reflect any change in the book value of any SRB agreements during the quarter.
- K1.7 **SRB agreements at end of quarter:** the number and book value of SRB contracts in existence at the end of the quarter.
- K1.8 **SRB agreements arranged for unauthorised persons:** The number of SRB agreements arranged where an unauthorised person has obtained title to the property and monies have been paid to the SRB seller. 'Amount' is the sale value (paid to seller) and should be reported gross, that is, before the deduction of any fees and charges.

NB: it is expected that figures in K1.7 will reconcile with those in other rows as follows:

- For 'Numbers': $K1.7 = K1.1 + K1.2 - K1.3 + K1.4 - K1.5$
- For 'Amounts': $K1.7 = K1.1 + K1.2 - K1.3 + K1.4 - K1.5 + K1.6$

K2 New business in the quarter

This section looks at various aspects of new business that has been transacted in the quarter: each is described below. For each aspect:

- The '**sale value**' means the gross amount paid to the seller before any fees and charges have been deducted.
- The 'All sales' line should agree with figures reported in K1.2.

K2.1 to 2.4 Sales: analysed by discount on open market value (OMV)

Here SRB transactions are classified into different bands, according to the amount of **discount** expressed as a percentage of the open market value of the property that is subject to the SRB contract. Discount is the open market value minus the sales value.

So for example, for those SRB agreements where the discount is 30% to under 40%, enter the total number of such sales and the total sales values of those agreements in the relevant boxes on the K2.2 line.

K2.5 to 2.7 Sales: analysed by provider fees charged

Here, SRB transactions are classified into two different bands, according to the amount of provider fees charged to the SRB agreement. Enter the total number of such sales and the total sales values of those agreements.

K2.8 to 2.9 Sales: analysed by annual rent as percent of sale value

Here the total number of new SRB agreements and the amount of average monthly rent being charged at the outset of the agreements is recorded. The average rental yield is calculated as the **total** annual rent for all new SRB agreements in the quarter divided by the total sales values.

K3 SRB agreements terminated or transferred in the quarter

This analyses SRB agreements terminated by either the provider or seller, and also those SRB agreements transferred to other parties.

K3.1 to K3.6 Agreements terminated:

By firm

This is where the seller has breached the terms and conditions of the SRB agreement and the provider has exercised the right to terminate the contract. Here, terminations are analysed according to the duration of the contract in

particular time bands. For each time band, enter the total number of such terminations

At the end of the quarter, some or possibly all of these agreements in K3.1 to K3.6 will also be included in end-quarter figures at K1.7. Those not included may already have been disposed of (reported at K1.3), or sold or transferred to third parties (reported at K1.5).

By seller

This is where the seller has exercised the right to buy back the property under the SRB agreement, or where the seller has terminated the tenancy agreement before the end of the fixed term. Here, redemptions are analysed according to the duration of the contract in particular time bands.

For each time band, enter the total number of such transactions and the total original sales values of those agreements.

In the supplementary analysis, provide summary totals for:

- original SRB values: the gross sales value paid to the seller
- current SRB values: the book value of the contract at time of re-sale
- actual resale values (i.e. the price at which either the property was sold back to the seller, or the seller left the property after giving notice) inclusive of any fees or charges levied as part of this resale transaction.

K3.7 to K3.9 **Transfers and Disposals**

Transfers

This covers SRB agreements which are sold or transferred to third parties, but where the contract itself remains in being.

The analysis looks into the status of each SRB agreement when it is sold or transferred, distinguishing between:

- agreements which are fully performing, and
- those where the seller is not currently meeting the terms and conditions of the contract.

For both types of contract, *firms* should report:

- original SRB values: the gross sales value paid to the seller;
- current SRB values: the book value of the contract at time of sale/transfer; and
- actual disposal/transfer values: the value of the contract as recognised in the agreement with the acquiring party.

Disposals

This covers disposals made during the normal course of business, and does not include business transfers. This is a further analysis of ‘disposals’ reported in K1.3.

Firms should report:

- original SRB values: the gross sales value paid to the seller;
- current SRB values: the book value of the contract at time of disposal; and
- actual disposal/transfer values: the price obtained on sale (before deducting any costs of sale).

K4 **SRB agreements at end of quarter: cases 10% or more in arrears**

Firms should report those SRB contacts where the total amount of arrears on rental payments is 10% or more of the annual rental amount. Cases should be allocated to the relevant arrears band according to the percentage in arrears.

For each arrears band, report the number of such cases, and the amount of arrears, and the amount of the expected annual rent on these cases.

K5 **SRB administrators**

Firms holding SRB administration permissions must complete the number of regulated SRB agreements that they administer, as well as the number of regulated SRB agreements that they administer for third parties.

The agreements administered for third parties must be further broken down by the number of SRB agreements administered for the largest five *firms* that they administer regulated SRB agreements for.

...

Amend the following as shown.

16 Annex 20G **Products covered by the reporting requirement in SUP 16.11**

Table 4 – OTHER HOME FINANCE TRANSACTIONS

Relevant products include:

Home reversion plans

Home purchase plans

Regulated sale and rent back agreements

...

Part 2: Supporting product definitions/guidance for product sales data reporting

...

Other home finance transactions

Finance Type	Description
<i>Home reversion plan</i>	Defined in the Handbook <i>Glossary</i>
<i>Home purchase plan</i>	Defined in the Handbook <i>Glossary</i>
<u><i>Regulated sale and rent back agreement</i></u>	<u>Defined in the Handbook <i>Glossary</i></u>

SUP 16 Annex 21R

REPORTING FIELDS

...

2 SPECIFIC REPORTING FIELDS

...

d) Other home finance transactions

...

iii) Sale and rent back agreements

The following data reporting fields must be completed, where applicable, for all *regulated sale and rent back agreements*.

<u>Data reporting field</u>	<u>Code (where applicable)</u>	<u>Notes</u>
<u>Unique identifier</u>		<u>Use code that enables the sale and rent back provider to identify the individual sale and rent back agreement.</u>
<u>Date of sale and rent back agreement</u>	<u>DD/MM/YYYY</u>	<u>Date the sale and rent back agreement was entered into.</u>
<u>Market value of the property</u>	<u>Numeric £</u>	<u>Indicate the market value of the property according to the independent valuation carried out in accordance with <i>MCOB 6.9.2R</i>.</u>
<u>Purchase price</u>	<u>Numeric £</u>	<u>Purchase price of the</u>

		<u>property.</u>
<u>Net amount paid to the sale and rent back seller</u>	<u>Numeric £</u>	<u>Net amount paid to the sale and rent back seller, following the deduction of fees and any other expenses.</u>
<u>Monthly rent</u>	<u>Numeric £</u>	<u>Monthly rent as agreed at the outset of the tenancy agreement.</u>
<u>Term of tenancy agreement</u>	<u>Months</u>	<u>Length of the initial fixed term as stated in the tenancy agreement.</u>
<u>Postcode of property</u>	<u>XX45 6XX</u>	
<u>Income basis</u>	<u>S = single, J= joint</u>	<u>Use code to indicate whether the affordability assessment has been made on a single or joint basis.</u>
<u>Main sale and rent back seller employment status</u>	<u>E = employed, S = self employed, B = benefits, R = retired, 0 = other</u>	<u>Applies to main sale and rent back seller only.</u>
<u>Total net disposable income</u>	<u>Numeric £</u>	<u>The total net disposable income for all parties to the sale and rent back agreement used in the affordability assessment.</u>
<u>Date of birth of main sale and rent back seller</u>	<u>DD/MM/YYYY</u>	<u>Report the age of the main sale and rent back seller only.</u>
<u>Product incentives</u>	<u>CB = cash back, BB = buy back option, SA = share of appreciation</u>	<u>Use code to indicate incentives that form part of the sale and rent back agreement, if applicable.</u> <u>Where more than one code applies, report all.</u> <u>‘Cash back’ is the promise of a future payment to the sale and rent back seller, for example a portion of the original discount.</u> <u>‘Buy back’ is where the</u>

		<p><u>sale and rent back seller is offered the option to buy the property back.</u></p> <p><u>'Share of appreciation' is where the sale and rent back seller is promised a share in the appreciation of the property value.</u></p>
<u>Funding source for sale and rent back agreement</u>	<p><u>C = commercial funding,</u></p> <p><u>B = BTL mortgage,</u></p> <p><u>O = other</u></p>	<p><u>Use code to indicate the source of funding used for the sale and rent back agreement.</u></p>
<u>Fees charged to customer</u>	<u>Numeric £</u>	<p><u>This is the fee charged by the provider to the customer. It includes administration and legal fees.</u></p>

...

Annex B

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text.

TP 1 Transitional provisions

TP 1.1 Transitional Provisions table

(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
<u>27</u>	<u>DISP 1.10.5R</u>	<u>R</u>	<p><u>In respect of complaints which relate to a <i>firm's</i> activities in respect of <i>regulated sale and rent back agreements</i> DISP 1.10.5R is disapplied and is replaced by the following:</u></p> <p><u>“Reports are to be submitted to the <i>FSA</i> within <i>30 business days</i> of the end of the relevant reporting periods either in hard copy form or by email, to dmt.inbox@fsa.gov.uk.”</u></p>	<u>From 30 June 2010 to 29 June 2011</u>	<u>30 June 2010</u>