

**SUPERVISION MANUAL (PRODUCT SALES DATA AND MORTGAGE LENDERS AND ADMINISTRATORS RETURN) (AMENDMENT) INSTRUMENT 2013**

**Powers exercised**

- A. The Financial Conduct 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 137A (The FCA’s general rules);
  - (2) section 139A (Power of the FCA to give guidance); and
  - (3) section 137T (General supplementary powers).
- 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 as follows:
- (1) Part 1 of the Annex to this instrument comes into force on 1 January 2015;
  - (2) Part 2 of the Annex to this instrument comes into force on 1 January 2015.

**Amendments to the FCA’s Handbook**

- D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Supervision Manual (Product Sales Data and Mortgage Lenders and Administrators Return) (Amendment) Instrument 2013.

By order of the Board  
12 December 2013

## Annex

## Amendments to the Supervision manual (SUP)

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

## Part 1: Comes into force on 1 January 2015

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, and to report individual performance data on regulated mortgage contracts, to the FCA. In the case of *firms* in the sale and rent back market, there is a requirement to record, but not to submit, ~~the sales~~ data. 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*.

...

16.11.3 R (1) A *firm* must submit a report (~~the a~~ 'data report') containing the information required by:

(a) SUP 16.11.5R (a 'sales data report'), within 20 *business days* of the end of the ~~quarter~~, reporting period; and

(b) for regulated mortgage contracts, SUP 16.11.5AR (a 'performance data report'), within 30 *business days* of the end of the reporting period;

unless (3), (3A) or (4) applies.

(2) The reporting periods are:

(a) for sales data reports, the four calendar quarters of each year beginning on 1 January; and

(b) for performance data reports, the six month periods beginning on 1 January and 1 July in each calendar year.

(3) A *firm* need not submit a sales data report if no relevant sales (excluding sales of regulated mortgage contracts) have occurred in the quarter.

(3A) A *firm* must submit a nil return:

(a) in the case of a sales data report, if no relevant sales of regulated mortgage contracts have occurred in the quarter; and

(b) in the case of a performance data report, if there is no relevant performance data on regulated mortgage contracts in respect of the relevant reporting period.

...

16.11.4 G (1) A *firm* may submit a sales data report more frequently than ~~quarterly~~ required by SUP 16.11.3R if it wishes.

...

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

...

16.11.5A R A performance data report must contain performance data in respect of regulated mortgage contracts.

...

16.11.7 R ~~The~~ A data report must comply with the provisions of *SUP 16 Annex 21R*.

16.11.8 R ~~The~~ A sales data report must relate both to transactions undertaken by the *firm* and to transactions undertaken by an intermediary which has dealt directly with the customer on the *firm's* behalf.

16.11.8A G Where the *operator* of a *collective investment scheme* receives business from a *firm* which operates a nominee account, the sales data report in respect of those transactions submitted by the *operator* should treat those transactions as transactions undertaken by the *operator* with the *firm*.

16.11.9 R A *firm* must provide ~~the~~ a data report to the *FCA* electronically in a standard format provided by the *FCA*.

...

16.11.11 R (1) A *firm* may appoint another *person* to provide ~~the~~ a data report on the *firm's* behalf if the *firm* has informed the *FCA* of that appointment in writing.

...

...

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

G This is the *guidance* referred to in SUP 16.11.6G.

*SUP 16.11.3R* requires, *SUP 16.11.5R* and *SUP 16.11.5AR* require certain firms to report product sales data and, in respect of *regulated mortgage contracts*, performance data. For reporting purposes, a reportable sale applies (other than in the case of a mortgage transaction) where the contract has been made and the premium has been paid.

In the case of mortgage transactions, the reporting requirement only applies to loans for house purchase and remortgages and (in the case of sales data only) not to further advances. In the case of sales data, a reportable mortgage transaction applies where the mortgage transaction has completed (i.e. funds have been transferred and have been applied for the purpose of the mortgage).

...

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

Part 2 contains *guidance* on the terms used in part 1 and on other relevant material.

Where products have not been defined in the *Glossary*, an explanatory description is provided.

...

### Mortgages

(a) Types of interest or reversion rate

<b>Types of interest or reversion rate</b>	<b>Description</b>
...	
<b>Discounted variable rate</b>	where a discount is applied to the lender's standard a variable rate, usually for a limited period of time.
<b>Tracker</b>	where the interest rate is guaranteed to move in line with either the Bank of England Base (or repo) Rate (BBR) or another index such as LIBOR (London InterBank Offered Rate).
<b>Bank of England Base</b>	where the interest rate is guaranteed to move in line with the Bank of England Base (or

<b><u>Rate tracker</u></b>	<u>Repo) Rate.</u>
<b><u>LIBOR tracker</u></b>	<u>where the interest rate is guaranteed to move in line with LIBOR (the London InterBank Offered Rate).</u>
<b><u>Other tracker</u></b>	<u>where the interest rate is guaranteed to move in line with an index other than the Bank of England Base (or Repo) Rate or LIBOR.</u>
<b>Capped (and collared) rate mortgage</b>	...
<b>Cashback</b>	<del>a cash amount paid by a mortgage lender to a customer (typically at the beginning of a contract) as an inducement to enter into a regulated mortgage contract with the mortgage lender.</del>
...	

## (b) Features

<b>Data Item</b>	<b>Description</b>
<b>Flexible mortgage</b>	...
<b><u>Cashback</u></b>	<u>a cash amount paid by a mortgage lender to a customer (typically at the beginning of a contract) as an inducement to enter into a regulated mortgage contract with the mortgage lender.</u>
<b>Offset mortgage – positive and/or negative offset</b>	...
<b><u>Mortgage with a shared equity loan attached</u></b>	<u>where the lender is aware that the customer will also have a shared equity loan secured on the property.</u>
<b>Loans where income is not evidenced</b>	<del>This applies to loans which are based on one or more persons' incomes. These loans are those where the lender has no independent documentary evidence to verify income (e.g. as provided by an employer's reference, a bank statement, a salary slip, a P60, or audited/certified accounts).</del>
<b>Total gross income</b>	<del>This is the total of the gross annual incomes (before tax or other deductions) of each of the individual borrowers whose incomes were taken into account when the lender</del>

	made the lending assessment/decision. For these purposes, each borrower's gross income is the sum of that person's main income and any other reckonable income (e.g., overtime, income from other sources etc to the extent that the lender takes such additional income into account in whole or in part). For example if borrower A has gross income of £25,000 and borrower B has gross income of £20,000 then total gross income for the loan would be £45,000.
<b><u>Mortgage with indemnity insurance attached</u></b>	where a mortgage has attached indemnity insurance to protect the lender in the case of default, whether arranged by the lender privately or through a government scheme.

16  
Annex  
21R

## REPORTING FIELDS

R This is the annex referred to in SUP 16.11.7R.

### 1 GENERAL REPORTING FIELDS

The following data reporting fields must be completed, where applicable, for all reportable transactions and submitted in a prescribed format. ~~Shaded boxes represent non-compulsory data items.~~

*[Editor's Note: In the table below, the rows commencing "Reference number of the intermediary's principal or network" and "Advice at point of sale" are not shaded as these are now compulsory items.]*

Data reporting field	Code (where applicable)	Notes
<del>reference</del> <u>Reference</u> number of product provider	6 digit number	This field must contain the <u>firm</u> reference number of the <u>firm</u> providing the data report.
<del>reference</del> <u>Reference</u> number of <u>firm</u> which <u>that</u> sold the product	6 digit number	This field must contain the <u>firm</u> reference number (FRN) of the <u>firm</u> which sold the product.  For a <u>firm</u> 's own direct sales, enter the <u>firm</u> 's own reference number <u>FRN</u> .  For sales via an intermediary enter the intermediary's

		<p>reference number <u>FRN</u>.</p> <p>Where the intermediary is an <u>appointed representative</u>, the <u>FRN of the appointed representative</u> must be reported.</p>
<u>Transaction reference (regulated mortgage contracts only)</u>	<u>Numeric / Alphanumeric</u>	<p>A unique reference for the transaction, internal to the reporting <i>firm</i>, that will enable the <i>firm</i> to provide the <i>FCA</i> with more information concerning the transaction if required, e.g. the account number, application number etc.</p>
Advice at point of sale	<p>Y = advised</p> <p>N = non-advised</p>	<p><del>This information will not have to be reported until July 2006.</del></p> <p><del>Firms will however be able to report his information before then if appropriate by using the appropriate code to indicate whether the sale was advised or non-advised.</del></p> <p>For reporting purposes non-advised includes execution-only and direct offer transactions.</p>
<del>reference</del> <u>Reference number of the intermediary's principal or network</u>	6 digit number	<p>This field only applies if the sale has been made by an intermediary who has a <i>principal</i> or is part of a <i>network</i>.</p> <p><u>Report the <i>firm</i> reference number (FRN) of the intermediary's principal or network, where they have one.</u></p> <p><u>The FRN of the intermediary who sold the product should <b>not</b> be reported here, but in the field 'Reference number of <i>firm</i> that sold the product'</u></p>

		<u>above.</u>
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## 2 SPECIFIC REPORTING FIELDS

...

### (c) Mortgages

The following data reporting fields must be completed, where applicable for all relevant regulated mortgage transactions contracts ~~(with the exception of further advances)~~:

#### **Note** Notes:

- (1) All amounts should be expressed in £ (regardless of the currency in which the loan is advanced) and converted as necessary.
- (2) In the case of mixed interest rate options/combo mortgages, or where the loan is otherwise split into more than one part, a reporting field should be completed by reference to sales data should only be provided for the rate applying to the largest portion of the overall mortgage balance unless otherwise stated.
- (3) In the case of sales data only, reporting fields should not be completed in relation to further advances.
- (4) Where a field is to be completed by reference to a person or persons as “first borrower”, “second borrower” or “third and subsequent borrowers”, all other fields containing that term should be completed by reference to the same person or persons as are identified as the first borrower, second borrower or third and subsequent borrowers as the case may be.
- (5) A guarantor should be treated as a borrower where their income has been taken into account in the affordability assessment.
- (6) Performance data should continue to be reported until the account in relation to the loan (or in relation to the final part of the loan outstanding) is closed or there is only a nominal balance outstanding on the account (i.e. where a mortgage account remains open with a nominal balance for administrative reasons). In the case of repossession, it is expected that the relevant account would be closed when the property is sold unless there is a *sale shortfall*. Where there is a *sale shortfall*, it is expected that this would take place on discharge of the amount of the shortfall (whether by or on behalf of the borrower or otherwise).
- (7) Where a date to be inserted in a reporting field in a performance data report would be before 1 January 2015, firms may insert either the

earlier date or 1 January 2015.

[Editor's Note: In the table below, the following rows:

- "Mortgage characteristics"
- "The purpose of extra money withdrawn for remortgages"
- "County court judgments (CCJs)"
- "Impaired credit history"

are no longer shown shaded as these are now compulsory items.

Also, some of the rows are now in a different location within the table.]

Data reporting field	Illustrative code Code (where applicable)	Notes
<b><u>Sales Data (report for all regulated mortgage contracts)</u></b>		
Date mortgage account opened	DD/MM/YYYY	Date of mortgage completion or draw-down of the funds.
<u>How the sale was made</u>	<u>F = direct face-to-face</u> <u>T = direct telephone</u> <u>I = direct internet</u> <u>P = direct post</u> <u>O = direct other</u> <u>I = intermediary</u>	<u>Report how the sale was made.</u> <u>'Direct' refers to sales made by the product provider.</u> <u>'Direct internet' includes direct sales made via email or other electronic means of communication.</u> <u>'Intermediary' refers to sales made by an intermediary.</u> <u>Where a sale has been made through more than one method, e.g., telephone and then post, report the channel where the product choice was made.</u>
Interest rate type	<u>F 01 = fixed rate</u> <u>Ø 02 = discounted variable rate</u> <u>T = tracker</u> <u>€ 04 = capped rate</u>	Enter the relevant code. If none of the existing codes apply enter sale as 'Ø 99' to denote 'other'. Only 1 code can be entered. <u>Examples of 'other' include managed variable rates which are</u>

	<p>∕ 05 = standard variable rate</p> <p>06 = BoE base rate tracker</p> <p>07 = LIBOR tracker</p> <p>08 = other tracker</p> <p>∅ 99 = other</p>	<p><u>not standard variable rates, and individually negotiated variable rates.</u></p>
<p><u>Date incentivised rate ends</u></p>	<p><u>DD/MM/YYYY</u></p>	<p><u>Report for any product where an initial incentivised rate later moves to a reversion rate. For example, fixed, capped, tracker or discounted rates where the customer is paying an incentivised rate for a set period.</u></p> <p><u>Where there are several incentivised rates, e.g. a fixed rate, followed by a tracker rate, which then reverts to a standard variable rate (SVR), report the date when the rate reverts to the SVR.</u></p> <p><u>When an incentivised rate lasts for the full term of the mortgage, e.g. a lifetime tracker, or a fixed rate that lasts for the full term, report the end of term date.</u></p>
<p><u>Type of reversion rate</u></p>	<p>01 = fixed rate</p> <p>02 = discount</p> <p>04 = capped rate</p> <p>05 = standard variable rate</p> <p>06 = BoE base rate tracker</p> <p>07 = LIBOR tracker</p> <p>08 = other tracker</p>	<p><u>Enter the relevant code.</u></p> <p><u>If none of the existing codes apply enter sale as '99' to denote 'other'.</u></p> <p><u>Only 1 code can be entered.</u></p> <p><u>Examples of 'other' include managed variable rates which are not standard variable rates (SVR), and individually negotiated variable rates.</u></p> <p><u>If there is no reversion rate, e.g. for mortgages sold on a SVR, or a rate that is fixed for the term, report '98' to denote 'not applicable'.</u></p>

	<u>98 = not applicable</u>  <u>99 = other</u>	
<u>Type of mortgage</u>	<u>L = lifetime mortgage</u>  <u>SA = shared appreciation mortgage</u>  <u>SO = shared ownership mortgage</u>  <u>BM = business loan</u>  <u>BL = bridging loan</u>  <u>GM = guarantor mortgage</u>  <u>HN = loan to a high net worth mortgage customer</u>  <u>BR = buy-to-let mortgage (regulated)</u>  <u>LO = low start mortgage</u>  <u>SB = self-build mortgage</u>  <u>SE = secured overdraft</u>  <u>NA = not applicable</u>	<u>Use code to indicate mortgage type. Report all relevant codes.</u>  <u>Report 'NA' to denote 'not applicable' where codes do not apply.</u>  <u>Report a 'guarantor mortgage' where the income of a guarantor has been included in the affordability assessment.</u>  <u>Report a 'low start mortgage' where payments are made on an interest-only basis for a set period at the start of the mortgage, but payments contractually revert to a repayment basis after this set period.</u>
<u>Mortgage characteristics</u>	<u>SE = mortgage with shared equity scheme loan attached</u>	<u>Use code to indicate additional mortgage characteristics if applicable. Report all relevant codes.</u>

	<p><u>MI = mortgage with indemnity insurance attached</u></p> <p>CB = cashback</p> <p>FF = flexible features (allowing overpayments and underpayments)</p> <p>OS = offset positive and/or negative balances</p> <p><i>L = the loan is a lifetime mortgage</i></p> <p><i>SAM = the loan is a shared appreciation mortgage</i></p> <p><u>NA = not applicable</u></p>	<p><u>Report 'NA' to denote 'not applicable' where codes do not apply.</u></p> <p><u>'Cashback' should only be reported where it is linked to a variable interest rate and where the cashback is not being provided as an incentive to pay legal costs and valuation fees.</u></p> <p><u>Where more than 1 code applies, report all</u></p> <p><u>See SUP 16 Annex 20G Part 2 Mortgages table (b) for further explanation of these mortgage characteristics.</u></p>
<u>Was this mortgage advanced under a government supported initiative?</u>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<p><u>Report whether the mortgage was advanced under a government supported initiative, e.g. through provision of a shared equity loan or indemnity insurance.</u></p>
<u>Post code of the Mortgaged mortgaged property</u>	e.g. XY45 6XX	<p><u>Report the post code of the mortgaged property.</u></p> <p><u>For new build/self build properties only, firms may report only the first half of the postcode, e.g. XY45, if the full postcode has not yet been assigned. For all other properties, the full postcode of the property must be reported, e.g. XY45 6XX.</u></p>
<u>Type of borrower</u>	F = first time	Use code to indicate type of

	<p><del>Buyers</del> <u>buyer</u></p> <p>M = home movers (2<sup>nd</sup> or subsequent buyers)</p> <p>R = remortgagors</p> <p>C = council/ registered social landlord tenant exercising their right to buy</p> <p>O = other</p> <p><del>N = not known</del></p>	<p>borrower.</p> <p><u>A mortgage taken on a previously unencumbered property should be reported as a remortgage.</u></p> <p>Only 1 code should be entered.</p> <p><u>Report 'O' for <i>lifetime mortgages</i> and <i>bridging loans</i>.</u></p>
<p>Method of repayment</p>	<p><del>C = capital and interest</del></p> <p><del>E = interest only/ Endowment</del></p> <p><del>I = interest-only/ ISA</del></p> <p><del>P = interest only/ Pension</del></p> <p><del>U = interest only/ Unknown</del></p> <p>M = mix of 'capital <u>and interest</u>' and 'interest-only'</p> <p><del>N = not known</del></p>	<p>Use code to indicate method of mortgage repayment.</p> <p>Only 1 code should be entered.</p> <p><u>Report low start mortgages (i.e. mortgages where payments are made on an interest-only basis for a set period at the start of the mortgage, but payments contractually revert to a repayment basis after this set period) as interest-only.</u></p>
<p><u>Repayment strategy for interest-only and mixed mortgages</u></p>	<p><u>E = endowment</u></p> <p><u>P = pension</u></p> <p><u>S = savings or investments (other than endowments and</u></p>	<p><u>Report where any part of the mortgage has been advanced on an interest-only basis.</u></p> <p><u>Where there is more than one repayment strategy, report all.</u></p>

	<p>pensions)</p> <p><u>M = sale of mortgaged property</u></p> <p><u>B = sale of other property (e.g. buy-to-let or second home)</u></p> <p><u>A = sale of other asset</u></p> <p><u>C = occasional payments from income</u></p> <p><u>R = repaid by capital and interest (for low start mortgages)</u></p> <p><u>F = refinancing (for bridging loans)</u></p> <p><u>L = lifetime mortgage</u></p> <p><u>O = other repayment strategy</u></p>	
<u>For mixed mortgages, the percentage that is on an interest-only basis</u>	<u>Numeric</u>	<u>Report the percentage of the loan on an interest-only basis for mixed mortgages (i.e. mortgages that are a mix of capital and interest and interest-only).</u>
<u>Is this an <i>interest roll-up mortgage</i>?</u>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<u>Report 'Y' where all or part of the loan is on an interest roll-up basis.</u>
<u>Term of mortgage in months</u>	<u>Numeric</u>	<p><u>Report the mortgage term in months.</u></p> <p><u>Where the loan is split into more than one part, report the term</u></p>

		<p><u>applying to the largest part of the loan.</u></p> <p>Number in whole years.</p> <p><del>(Optional for Lifetime and Shared appreciation mortgages)</del></p>
Size of loan	Numeric £	<p><del>Report the</del> <u>The original interest bearing balance at completion of the when the mortgage was completed.</u></p> <p><u>This amount should include fees and charges added to the loan.</u></p>
<u>Market Value</u> <u>value of the mortgaged property</u>	Numeric £	<p><u>Report the market value of the mortgaged property represented as a sterling equivalent amount.</u> The value reported should be based on: the surveyors valuation, <del>(or from a valuation index,)</del> <u>or other method that the product provider used to determine the market value.</u></p> <ul style="list-style-type: none"> <li><del>From the customers estimated value as captured on the application form.</del></li> </ul> <p>In the case of staged construction or self build schemes, value means 'expected final value of property at the time <u>the</u> lending decision is made'.</p>
<u>Type of valuation at origination of mortgage</u>	<p><u>I = internal inspection</u></p> <p><u>E = external inspection only, including drive-by</u></p> <p><u>A = automated valuation model, indexed or desktop valuation</u></p> <p><u>O = other</u></p>	<p><u>Report the type of valuation undertaken to obtain the market value of the mortgaged property.</u></p> <p><u>An internal inspection is where a valuer has carried out an internal inspection of the property.</u></p> <p><u>An external inspection is where the property has been inspected (including by drive-by inspection), but without an internal inspection of the property.</u></p>
<u>Income Basis</u>	<u>S = single income</u>	<u>Use code to indicate whether the income assessment has been made</u>

	J = joint income	on a single or joint basis.  (Optional for <i>Lifetime and Shared appreciation mortgages</i> )
<u>Age Date of birth of main first borrower</u>	DD/MM/YYYY	Report <u>age date of birth</u> of <del>main</del> <u>first borrower only</u> .
<u>Date of birth of second borrower</u>	DD/MM/YYYY	Report <u>date of birth of second borrower</u> (where there is a second borrower)
<u>Amount of extra money withdrawn for remortgages</u>	<u>Numeric £</u>	For remortgages only, report the <u>amount of extra money withdrawn, when the new mortgage is larger than the previous mortgage</u> .  <u>Report the extra money withdrawn as the size of the new loan reported less the value of the previous mortgage outstanding immediately prior to completion.</u>
<u>The purpose of extra money withdrawn for remortgages Remortgage transactions only</u>	<del>N = no extra money raised</del>  <del>H = extra money raised for home improvements</del>  <del>D = extra money raised for debt consolidation</del>  <del>M = extra money raised for home improvements and debt consolidation</del>  <del>O = other</del>	Use <del>code</del> <u>codes</u> to indicate the purpose(s) of the <del>remortgage</del> <u>extra money withdrawn for remortgages</u> .  <u>Report all that apply.</u>  <u>Only 1 code can be entered</u>
<u>Amount of debt consolidated</u>	<u>Numeric £</u>	<u>Report only where the borrower is consolidating debt into the new mortgage.</u>
<u>County court judgments (CCJs) – first borrower (Value)</u>	<u>Numeric £</u>	<del>Applies</del> <u>Report</u> where <u>the first borrower borrower/s has been the subject of one or more CCJs<sub>2</sub> - within the last 3 years</u> – either

		<p><u>satisfied or unsatisfied</u> – with a total value greater than £500, within the last three years (whether satisfied or unsatisfied).</p> <p><u>Report '0' where the borrower does not have any CCJs.</u></p> <p><u>Where a CCJ is registered against the first and second borrower, report for both.</u></p> <p><u>A reference to the 'county court' is a reference to the county court in England and Wales, the county court in Northern Ireland and the sheriff court in Scotland.</u></p>
<p><u>County court judgments (CCJs) – second borrower (Value)</u></p>	<p><u>Numeric £</u></p>	<p><u>Report where the second borrower has been the subject of one or more CCJs, with a total value greater than £500, within the last three years (whether satisfied or unsatisfied).</u></p> <p><u>Report '0' where the borrower does not have any CCJs.</u></p> <p><u>Where a CCJ is registered against the first and second borrower, report for both.</u></p> <p><u>A reference to the 'county court' is a reference to the county court in England and Wales, the county court in Northern Ireland and the sheriff court in Scotland.</u></p>
<p><u>Impaired credit history of first borrower</u></p>	<p>A = arrears</p> <p>V = IVA</p> <p><u>B = Bankruptcy</u></p> <p><u>D = debt relief order</u></p> <p><u>NA = not applicable</u></p>	<p>Use code/s to indicate applicable credit history of <u>first borrower</u>. Report all that apply.</p> <p><del>A = applies to secured and unsecured loans where within the last two years, the borrower/s first borrower has arrears on a previous (or current) mortgage or other secured loan within the last 2 years where the cumulative amount overdue at any point reached three or more monthly payments or owed overdue payments, of an amount</del></p>

		<p><u>equivalent to three months payments, on a mortgage or other loan (whether secured or unsecured).</u></p> <p>V = applies where the <del>borrower/s</del> <u>have first borrower has</u> been subject to an individual voluntary arrangement (IVA) at any time within the last 3 <u>three</u> years.</p> <p>B = applies where the <del>borrower/s</del> <u>have first borrower has</u> been subject to a bankruptcy order at any time within the last 3 <u>three</u> years.</p> <p><u>D = applies where the first borrower has been subject to a debt relief order any time within the last three years.</u></p> <p><u>Where the impaired credit item relates to both the first and second borrower, report for both.</u></p> <p><u>Report 'NA' to denote 'not applicable' where the borrower has no relevant impaired credit history items.</u></p> <p><u>For the purposes of this note:</u></p> <ul style="list-style-type: none"> <li>- <u>a reference to an 'individual voluntary arrangement' includes a protected trust deed in Scotland;</u></li> <li>- <u>a reference to a 'bankruptcy order' includes a declaration as to bankruptcy made by the sheriff or the Accountant in Bankruptcy in Scotland;</u></li> <li>- <u>a reference to a 'debt relief order' includes LILA (Low Income Low Asset) Bankruptcy in Scotland.</u></li> </ul>
<p><u>Impaired credit history of second borrower</u></p>	<p><u>A = arrears</u></p> <p><u>V = IVA</u></p>	<p><u>Use code/s to indicate applicable credit history of second borrower. Report all that apply.</u></p>

	<p><u>B = bankruptcy</u></p> <p><u>D = debt relief order</u></p> <p><u>NA = not applicable</u></p>	<p><u>A = applies where within the last two years, the second borrower has owed overdue payments, of an amount equivalent to three months payments, on a mortgage or other loan (whether secured or unsecured).</u></p> <p><u>V = applies where the second borrower has been subject to an individual voluntary arrangement (IVA) at any time within the last three years.</u></p> <p><u>B = applies where the second borrower has been subject to a bankruptcy order at any time within the last three years.</u></p> <p><u>D = applies where the second borrower has been subject to a debt relief order any time within the last three years.</u></p> <p><u>Where the impaired credit item relates to both the first and second borrower, report for both.</u></p> <p><u>Report 'NA' to denote 'not applicable' where the borrower has no relevant impaired credit history items.</u></p> <p><u>For the purposes of this note:</u></p> <ul style="list-style-type: none"> <li>- <u>a reference to an 'individual voluntary arrangement' includes a protected trust deed in Scotland;</u></li> <li>- <u>a reference to a 'bankruptcy order' includes a declaration as to bankruptcy made by the sheriff or the Accountant in Bankruptcy in Scotland;</u></li> <li>- <u>a reference to a 'debt relief order' includes LILA (Low Income Low Asset) Bankruptcy in Scotland.</u></li> </ul>
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<u>Initial gross charging rate of interest</u>	<u>Numeric %</u>	<u>The amount of interest reported should be the initial gross nominal rate charged on the loan and should take into account any discount being provided. Report this number to two decimal places (e.g. 3.49).</u>  <u>Where the advance is split, the interest rate applying to the largest part of the advance should be reported.</u>
<u>Is there an <i>early repayment charge</i>?</u>	<u>Y = yes</u> <u>N = no</u>	<u>Report 'Y' where there is an <i>early repayment charge</i>.</u>
<u>Date <i>early repayment charge</i> ends</u>	<u>DD/MM/YYYY</u>	<u>If applicable, report date <i>early repayment charge</i> ends.</u>
<u>Purchase price of property (purchases only)</u>	<u>Numeric £</u>	<u>Report purchase price as stated on the mortgage application.</u>
<u>Is the dwelling new?</u>	<u>Y=Yes</u> <u>N=No</u>	<u>Report 'Y' if the property is a new build property.</u>  <u>'New' refers to the period in which the main structure of the dwelling was completed and also means where a dwelling is being occupied for the first time. It does not include new conversions of older dwellings.</u>
<u>Currency</u>	<u>GBP = United Kingdom Pound</u>  <u>EUR = Euro</u>  <u>USD = US dollars</u>  <u>JPY = Japanese Yen</u>  <u>OTH = other</u>	<u>If more than one applies, report the currency that applies to the largest proportion of the mortgage.</u>
<u>Customer's share of property, for shared ownership</u>	<u>Numeric %</u>	<u>Report percentage of <i>customer's share</i>.</u>

<u>Value of total loan available</u>	<u>Numeric £</u>	<p><u>Report the value of the total loan available without further underwriting, where not all available funds have been drawn down on completion of the mortgage. Examples of where this may be relevant include some <i>lifetime mortgages</i>, self build mortgages or flexible mortgages.</u></p> <p><u>Leave blank where the total loan available is the same as the size of the loan reported above.</u></p>
<u>Lender fees</u>	<u>Numeric £</u>	<p><u>Report fees and charges charged by the lender which are included in the calculation of the <i>annual percentage rate</i> of charge in relation to the mortgage. For example, fees for <i>advising on or arranging the regulated mortgage contract</i>, and product fees such as application, reservation and valuation fees.</u></p> <p><u>Do not report in this field <i>mortgage intermediary</i> or other third party fees included in the calculation of the <i>annual percentage rate</i> of charge.</u></p> <p><u>Report '0' where there are no lender fees.</u></p>
<u><i>Mortgage intermediary or third party fees</i></u>	<u>Numeric £</u>	<p><u>Report fees and charges charged by a <i>mortgage intermediary</i> or third party which are included in the calculation of the <i>annual percentage rate</i> of charge in relation to the mortgage. For example, fees for <i>advising on or arranging the regulated mortgage contract</i>.</u></p> <p><u>Do not report in this field fees or charges charged by the <i>mortgage lender</i> included in the calculation of the <i>annual percentage rate</i> (e.g. application, reservation and valuation fees).</u></p> <p><u>Report '0' where there are no</u></p>

		<u>intermediary or third party fees.</u>
<u>Amount of fees or charges added to the loan</u>	<u>Numeric £</u>	<p><u>Report any fees or charges that have been added to the sum advanced under the <i>regulated mortgage contract</i>, whether in relation to any <i>mortgage lender, mortgage intermediary</i> or other third party fees or charges.</u></p> <p><u>Report '0' where there are no fees or charges added to the loan.</u></p>
<u>Procurator fee paid to mortgage intermediary or other third party</u>	<u>Numeric £</u>	<p><u>Report value of <i>procurator fee</i> and cash value of any other material non-cash inducement paid by the <i>mortgage lender</i> to the <i>mortgage intermediary</i> or other third party.</u></p> <p><u>Report '0' where no <i>procurator fee</i> or any other material non-cash inducement has been paid to the <i>mortgage intermediary</i> or other third party.</u></p>
<p><b><u>Affordability data</u></b></p> <p><u>Do not report affordability data when affordability assessment has not been undertaken, i.e. for an <i>interest roll-up mortgage</i>.</u></p> <p><u>For <i>high net worth mortgage customers</i> and loans solely for a business purpose (where payments will be made from the resources of the customer), report the income/assets used in the affordability assessment in accordance with <i>MCOB 11.6.34R(2)(a)</i> or <i>MCOB 11.6.26R(2)(a)(i)</i> against the relevant borrower in the income fields below. For loans solely for a business purpose, where repayments will be made from the financial resources of the business and affordability has been assessed in accordance with <i>MCOB 11.6.26R(2)(b)</i>, do not report the income or expenditure of the customer below.</u></p>		
<u>Number of borrowers whose incomes have been assessed in affordability assessment</u>	<u>1 = one</u> <u>2 = two</u> <u>3 = three or more</u>	<p><u>Report the number of borrowers whose incomes have been assessed in the affordability assessment.</u></p> <p><u>A guarantor should be considered as a borrower for the purposes of reporting, where their income has been relied on in the affordability assessment.</u></p>
<u>Number of</u>	<u>Numeric</u>	<u>Report the number of dependent</u>

<u>dependent adults</u>		<p><u>adults in household whose incomes have not been included in the affordability assessment.</u></p> <p><u>Report '0' where there are no dependent adults.</u></p>
<u>Number of dependent children</u>	<u>Numeric</u>	<p><u>Report the number of dependent children in household.</u></p> <p><u>Report '0' where there are no dependent children.</u></p>
Employment status of <del>main</del> first borrower	<p><u>E = employed</u></p> <p><del>F = full time</del> <u>employee</u></p> <p><u>S = self-employed</u></p> <p><u>R = retired</u></p> <p><u>O = other</u></p>	<p><del>Applies to main borrower only.</del></p> <p><u>Only 1 code can be entered.</u></p> <p><u>Where the borrower has more than one employment status, report status that makes up largest portion of verified income.</u></p>
<u>Employment status of second borrower</u>	<p><u>E = employed</u></p> <p><u>S = self-employed</u></p> <p><u>R = retired</u></p> <p><u>O = other</u></p>	<p><u>Report only where there is a second borrower.</u></p> <p><u>Only 1 code can be entered.</u></p> <p><u>Where the borrower has more than one employment status, report status that makes up largest portion of verified income.</u></p>
<u>Retirement age of first borrower</u>	<u>Numeric</u>	<p><u>Report planned retirement age of first borrower, whether <i>customer</i> declared, or assumed, for the purposes of assessing affordability.</u></p> <p><u>Report only where the income of the first borrower has been taken into account in the affordability assessment.</u></p>
<u>Retirement age of second borrower</u>	<u>Numeric</u>	<p><u>Report planned retirement age of second borrower, whether <i>customer</i> declared, or assumed, for the purposes of assessing affordability.</u></p> <p><u>Report only where the income of the second borrower has been taken into</u></p>

		account in the affordability assessment.
Income verification	<p>Y = income evidenced by lender</p> <p>N = income not evidenced</p> <p>O = income evidenced by third party</p>	<p>Applies to loans based on one or more persons' incomes. (see guidance notes relating to 'loans where income is not evidenced')</p> <p>(Optional for <i>Lifetime</i> and <i>Shared appreciation mortgages</i>)</p> <p>Report 'O' where the lender has outsourced evidencing of income to a third party.</p>
Total gross income	Numeric £	<p>The total income of all borrowers whose income was used in the credit assessment (see guidance notes for further explanation)</p> <p>(Optional for <i>Lifetime</i> and <i>Shared appreciation mortgages</i>)</p>
<u>First borrower – gross basic pay</u>	Numeric £	<p>Report verified gross basic pay from employment (whether from one or more jobs) for the first borrower.</p> <p>The amount reported should be the annual amount of this type of income that has been verified in accordance with <i>MCOB 11.6.8R</i>, before any reductions are applied by the product provider (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</p> <p>Report '0' where there is no relevant income in this category.</p>
<u>First borrower – gross other income from employment</u>	Numeric £	<p>Report verified gross other income from employment (whether from one or more jobs), such as bonus or overtime, for the first borrower.</p> <p>The amount reported should be the annual amount of this type of income that has been verified in accordance with <i>MCOB 11.6.8R</i>, before any reductions are applied by the product provider (e.g. where</p>

		<p><u>only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<u>First borrower – gross income from self-employment</u>	<u>Numeric £</u>	<p><u>Report verified gross income from self-employment (i.e. before deductions for tax and National Insurance) such as profits, dividends and salary, for the first borrower.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R. The amount reported may be an average of verified income from more than one year, if this is how the product provider assesses income, but before any reductions are applied (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<u>First borrower – gross other income</u>	<u>Numeric £</u>	<p><u>Report any other verified gross income, such as pensions, investments and state benefits, for the first borrower.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<u>Second borrower – gross basic pay</u>	<u>Numeric £</u>	<p><u>Report verified gross basic pay from employment (whether from one or more jobs) for the second borrower.</u></p>

		<p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<u>Second borrower – gross other income from employment</u>	<u>Numeric £</u>	<p><u>Report verified gross other income from employment (whether from one or more jobs), such as bonus or overtime, for the second borrower.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<u>Second borrower – gross income from self-employment</u>	<u>Numeric £</u>	<p><u>Report verified gross income from self-employment (i.e. before deductions for tax and National Insurance) such as profits, dividends and salary, for the second borrower.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R. The amount reported may be an average of verified income from more than one year, if this is how the product provider assesses income, but before any reductions are applied (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p>

		<p><u>Report '0' where there is no relevant income in this category.</u></p>
<p><u>Second borrower – gross other income</u></p>	<p><u>Numeric £</u></p>	<p><u>Report any other verified gross income, such as pensions, investments and state benefits, for the second borrower.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<p><u>Third and subsequent borrowers – gross basic pay</u></p>	<p><u>Numeric £</u></p>	<p><u>Report verified gross basic pay from employment (whether from one or more jobs) for the third and any subsequent borrowers.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<p><u>Third and subsequent borrowers – gross other income from employment</u></p>	<p><u>Numeric £</u></p>	<p><u>Report verified gross other income from employment (whether from one or more jobs), such as bonus or overtime, for the third and any subsequent borrowers.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where</u></p>

		<p><u>only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<p><u>Third and subsequent borrowers – gross income from self-employment</u></p>	<p><u>Numeric £</u></p>	<p><u>Report verified gross income from self-employment (i.e. before deductions for tax and National Insurance) such as profits, dividends and salary, for the third and any subsequent borrowers.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R. The amount reported may be an average of verified income from more than one year, if this is how the product provider assesses income, but before any reductions are applied (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<p><u>Third and subsequent borrowers – gross other income</u></p>	<p><u>Numeric £</u></p>	<p><u>Report any other verified gross income, such as pensions, investments and state benefits, for the third and any subsequent borrowers.</u></p> <p><u>The amount reported should be the annual amount of this type of income that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a certain percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<p><u>First borrower –</u></p>	<p><u>Numeric £</u></p>	<p><u>Report total annual net income of</u></p>

<u>total verified net income</u>		<p><u>first borrower that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Net income refers to income net of tax and national insurance (not net of financial commitments and expenditure).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<u>Second borrower – total verified net income</u>	<u>Numeric £</u>	<p><u>Report total annual net income of second borrower that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Net income refers to income net of tax and national insurance (not net of financial commitments and expenditure).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>
<u>Third and subsequent borrowers – total verified net income</u>	<u>Numeric £</u>	<p><u>Report total annual net income of third and any subsequent borrowers that has been verified in accordance with MCOB 11.6.8R, before any reductions are applied by the product provider (e.g. where only a percentage of income is taken into account in the affordability assessment).</u></p> <p><u>Net income refers to income net of tax and national insurance (not net of financial commitments and expenditure).</u></p> <p><u>Report '0' where there is no relevant income in this category.</u></p>

<p><u>Total outstanding credit commitments for all borrowers</u></p>	<p><u>Numeric £</u></p>	<p><u>Report total amount of credit commitments that will remain outstanding following the mortgage advance for all borrowers.</u></p> <p><u>Examples of credit commitments are loans, credit cards and hire purchase agreements.</u></p> <p><u>Report '0' if there is no expenditure in this category.</u></p>
<p><u>Total monthly payment for committed expenditure for all borrowers</u></p>	<p><u>Numeric £</u></p>	<p><u>Report total monthly payments for committed expenditure that will remain outstanding following the mortgage advance for all borrowers.</u></p> <p><u>Committed expenditure is credit and other contractual commitments. See <i>MCOB</i> 11.6.10R(1) for further information.</u></p> <p><u>Examples of committed expenditure are credit commitments such as loans, credit cards and hire purchase agreements; child maintenance; alimony; and the cost of a repayment strategy where the customer has an interest-only mortgage (where the mortgage has not been assessed on a capital and interest basis). See <i>MCOB</i> 11.6.11G(1) for more information.</u></p> <p><u>Report '0' if there is no expenditure in this category.</u></p>
<p><u>Basic essential expenditure and basic quality of living costs per household</u></p>	<p><u>Numeric £</u></p>	<p><u>Report the figure used in the affordability assessment for household expenditure, i.e. the basic essential expenditure and basic quality of living costs of the household, whether actual (i.e. customer specific information) or estimated (e.g. statistical or modelled data).</u></p> <p><u>Basic essential expenditure comprises expenditure for: housekeeping (food and washing); gas, electricity and other heating;</u></p>

		<p><u>water; telephone; council tax; buildings insurance; ground rent and service charge for leasehold properties; and essential travel (including to work and school). See <i>MCOB</i> 11.6.10R(2) for further information.</u></p> <p><u>Basic quality of living costs is expenditure which is hard to reduce and gives a basic quality of life (beyond the absolute basic essential expenditure items). Examples include: clothing; household goods (such as toiletries); basic recreation (television, some allowance for basic recreational activities, some non-essential transport) and childcare. See <i>MCOB</i> 11.6.10R(3) and <i>MCOB</i> 11.6.11G(2) for further information.</u></p> <p><u>For high net worth mortgage customers, and loans solely for a business purpose (where payments will be made from the resources of the customer), the amount of expenditure used in the affordability assessment in accordance with <i>MCOB</i> 11.6.34R(2)(b) or <i>MCOB</i> 11.6.26R(2)(a)(ii) may be reported.</u></p> <p><u>Report '0' if there is no expenditure in this category.</u></p>
<p><u>Stress-tested interest rate used to assess the effect of future interest rate rises on affordability</u></p>	<p><u>Numeric %</u></p>	<p><u>Report the actual rate used, e.g. sum of product rate plus any increment or flat rate.</u></p> <p><u>If <i>MCOB</i> 11.6.18R does not apply because the interest rate is fixed for five years or more, report the fixed rate.</u></p> <p><u>See <i>MCOB</i> 11.6.18R for the requirements for considering the effect of future interest rate increases.</u></p>
<p><u>Were the <i>MCOB</i> 11.7 transitional</u></p>	<p><u>Y = yes, to existing</u></p>	<p><u>Report where the transitional arrangements were used when</u></p>

<u>arrangements used?</u>	<u>borrower</u>  T = <u>yes, to new borrower</u>  N = <u>no</u>	<u>entering into the mortgage as set out in MCOB 11.7.</u>
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<u>Data reporting field</u>	<u>Code (where applicable)</u>	<u>Notes</u>
<b><u>Performance Data (report for all <i>regulated mortgage contracts</i>)</u></b>		
<u>Reference number of lender that currently holds the mortgage</u>	<u>Numeric</u>	<u>This field must contain the <i>firm</i> reference number of the lender that currently holds the mortgage, whether they originated the mortgage or have bought it from another <i>firm</i>.</u>  <u>Where the mortgage is securitised, this includes the lender that retains an interest in the mortgage.</u>
<u>Reference number of administrator</u>	<u>Numeric</u>	<u>Where the mortgage is administrated by a third party that is an <i>authorised person</i>, this field must contain the <i>firm</i> reference number of that <i>firm</i>.</u>
<u>Post code of the mortgaged property</u>	<u>e.g. XY45 6XX</u>	<u>Report the full post code of the mortgaged property, e.g. XY45 6XX.</u>
<u>Date of birth of first borrower</u>	<u>DD/MM/YYYY</u>	<u>Report date of birth of first borrower.</u>
<u>Date mortgage account opened</u>	<u>DD/MM/YYYY</u>	<u>Date of mortgage completion or drawdown of funds.</u>  <u>This must be reported, where known.</u>  <u>If it is not known, for example, because the reporting <i>firm</i> has purchased the loan from another <i>firm</i>, then it does not need to be reported.</u>
<u>Original transaction</u>	<u>Numeric</u>	<u>Report the unique transaction reference of the original product</u>

<u>reference</u>		<p><u>sales data transaction.</u></p> <p><u>This must be reported, where known.</u></p> <p><u>If it is not known, for example, because the reporting <i>firm</i> has purchased the loan from another <i>firm</i>, report a current unique reference for the transaction internal to the reporting <i>firm</i> (e.g. the account number), that will enable the <i>firm</i> to provide the FCA with more information concerning the account, if required.</u></p>
<u>Was the loan purchased from another firm?</u>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<u>Report Y where the loan has been purchased from another firm.</u>
<u>Original size of loan</u>	<u>Numeric £</u>	<p><u>Report the original interest-bearing balance at completion of the mortgage.</u></p> <p><u>This must be reported, where known.</u></p> <p><u>If it is not known, for example, because the reporting <i>firm</i> has purchased the loan from another <i>firm</i> then it does not need to be reported.</u></p>
<u>Original term of loan (in months)</u>	<u>Numeric</u>	<p><u>Report number in months as at completion of the mortgage.</u></p> <p><u>This must be reported, where known.</u></p> <p><u>If it is not known, for example, because the reporting <i>firm</i> has purchased the loan from another <i>firm</i> then it does not need to be reported.</u></p>
<u>Reference number of original product provider</u>	<u>Numeric</u>	<u>This field must contain the <i>firm</i> reference number of the original product provider (even where the same product provider still holds the mortgage).</u>

		<p><u>This must be reported, where known.</u></p> <p><u>If it is not known, for example, because the reporting <i>firm</i> has purchased the loan from another firm who was not the original product provider, then it does not need to be reported.</u></p>
<u>Current balance outstanding</u>	<u>Numeric £</u>	<p><u>This is the interest bearing balance of the mortgage that is outstanding at the end of the reporting period, represented as a sterling equivalent amount. This amount should include <i>arrears</i>, and fees and charges added to the loan.</u></p> <p><u>For repossessions with a <i>sale shortfall</i>, continue to report the amount of the <i>sale shortfall</i> until the mortgage account is closed.</u></p> <p><u>For accounts closed during the reporting period, report '0'.</u></p> <p><u>Where the loan is split into more than one part, report the total current balance outstanding across all parts.</u></p>
<u>Current expected monthly payment</u>	<u>Numeric £</u>	<p><u>Report the current expected monthly mortgage payment, including any formally agreed reductions or increases in payments, e.g. due to forbearance.</u></p> <p><u>Where payments are collected on a basis other than monthly, such as quarterly or annually, report the monthly equivalent (e.g. for annual payments, report one twelfth of the annual payment).</u></p> <p><u>Where there is no expected payment, e.g. because the mortgage is an <i>interest roll-up mortgage</i>, report '0'.</u></p>
<u>Value of linked accounts</u>	<u>Numeric £</u>	<u>Report the value of linked accounts that are offset against the mortgage, e.g. to reduce the amount of interest</u>

		<p><u>payable, such as savings and current accounts.</u></p> <p><u>Do not report accounts that are not offset, e.g. savings account used as additional collateral for the mortgage.</u></p> <p><u>Report '0' where there are no linked accounts.</u></p>
<u>Current gross rate of interest charged</u>	<u>Numeric %</u>	<p><u>The rate of interest reported should be the gross nominal rate charged on the loan and should take into account any discount being provided.</u></p> <p><u>Where the loan is split into more than one part, report the interest rate applying to the largest part.</u></p>
<u>Current interest rate type</u>	<p><u>01 = fixed rate</u></p> <p><u>02 = discount</u></p> <p><u>04 = capped rate</u></p> <p><u>05 = standard variable rate</u></p> <p><u>06 = BoE base rate tracker</u></p> <p><u>07 = LIBOR tracker</u></p> <p><u>08 = other tracker</u></p> <p><u>99 = other</u></p>	<p><u>Enter the relevant code that describes the current interest rate of the mortgage product.</u></p> <p><u>If none of the existing codes apply enter sale as '99' to denote 'other'.</u></p> <p><u>Only 1 code can be entered.</u></p> <p><u>Examples of 'other' include managed variable rates which are not standard variable rates, and individually negotiated variable rates.</u></p> <p><u>Where the loan is split into more than one part, report the rate type applying to the largest part.</u></p>
<u>Is the current rate an incentivised rate?</u>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<p><u>Report 'Y' where the product has an initial incentivised rate which later moves to a reversion rate. For example, fixed, capped, tracker or discounted rates where the customer is paying an incentivised rate for a set period.</u></p>
<u>Date incentivised rate ends</u>	<u>DD/MM/YYYY</u>	<p><u>Report for any product where an initial incentivised rate later moves to a reversion rate. For example,</u></p>

		<p><u>fixed, capped, tracker or discounted rates where the customer is paying an incentivised rate for a set period.</u></p> <p><u>Where there are several incentivised rates, e.g. a fixed rate, followed by a tracker rate, which then reverts to a standard variable rate (SVR), report the date when the rate reverts to the SVR.</u></p> <p><u>Where an incentivised rate lasts for the full term of the mortgage, e.g. a lifetime tracker, or a fixed rate that lasts for the full term, report the end of term date.</u></p>
<u>Remaining term of mortgage</u>	<u>Numeric</u>	<p><u>Report remaining terms in months.</u></p> <p><u>Where the loan is split into more than one part, report the term applying to the largest part of the loan.</u></p>
<u>Months past maturity</u>	<u>Numeric</u>	<p><u>Report months past expected maturity date, for mortgages that have not been repaid after the contractual term had expired, where the term has not been extended.</u></p> <p><u>Keep reporting the account until closed, or until the term is extended.</u></p> <p><u>Where the loan is split into more than one part, report where one part has passed maturity. Where more than one part has passed maturity, report the part that is the longest past maturity.</u></p> <p><u>Report '0' for mortgages which are not past maturity.</u></p>
<u>Current method of repayment</u>	<p><u>C = capital and interest</u></p> <p><u>I = interest-only</u></p> <p><u>M = mix of 'capital and interest' and</u></p>	<p><u>Use code to indicate method of mortgage repayment.</u></p> <p><u>Only 1 code should be entered.</u></p> <p><u>For low start mortgages (i.e. mortgages where payments are made on an interest-only basis for a</u></p>

	<u>'interest-only'</u>	<p><u>set period at the start of the mortgage, but payments contractually revert to a repayment basis after this set period), report as interest-only during the low start interest-only period. Report as capital and interest when the mortgage has reverted to a capital and interest basis.</u></p> <p><u>Where the loan is split into more than one part, report the method of repayment applying to the largest part.</u></p>
<u>Reason for closure of account</u>	<p><u>R = remortgage to same lender</u></p> <p><u>M = moved to a different property, mortgage taken with same lender (includes porting)</u></p> <p><u>P = repossession</u></p> <p><u>A = assisted sale</u></p> <p><u>V = voluntary repossession</u></p> <p><u>O = other</u></p>	<p><u>Report only for accounts closed in reporting period.</u></p> <p><u>Report 'P' where the account has been closed following repossession action (i.e. following the sale of the property).</u></p> <p><u>Report 'A' where the firm has assisted the borrower with selling the property.</u></p> <p><u>Report 'V' where the borrower has surrendered possession on a voluntary basis so that it can be sold by the firm.</u></p> <p><u>Where the loan is split into more than one part, and these parts are closed at different times, report the closure of account when the final part is closed.</u></p> <p><u>After the account has been closed, no further reporting is required.</u></p>
<u>Current amount of payment shortfall</u>	<u>Numeric £</u>	<p><u>Report current amount of payment shortfall at date of reporting.</u></p> <p><u>Report to two decimal places (i.e. pounds and pence).</u></p> <p><u>Report as a positive rather than a negative number.</u></p> <p><u>Where the loan is split into more</u></p>

		<p>than one part, report the current total <i>payment shortfall</i> that applies across all parts.</p> <p>Where there is no payment shortfall, report '0'.</p>
<p><u>Date of start of most recent instance of arrears</u></p>	<p><u>DD/MM/YYYY</u></p>	<p><u>Date when the account first met the definition of arrears, in the case of the most recent instance of arrears.</u></p> <p><u>Once reported, this same date should be reported for each reporting period during which this instance of arrears has been continuing (including the reporting period in which the arrears are cleared). If the account enters arrears again, the start date of the new instance of arrears should then be reported.</u></p> <p><u>Arrears has the meaning set out in the Glossary.</u></p>
<p><u>Is there a formal arrangement with a borrower to repay a payment shortfall</u></p>	<p><u>Y = yes</u> <u>N = no</u></p>	<p><u>Report 'Y' if there has been a formal arrangement in place to repay a payment shortfall at any time during the reporting period, whether the terms have been adhered to or not.</u></p> <p><u>For the purpose of this report, a formal arrangement is an agreement made with the customer to repay a payment shortfall, over and above the contractual mortgage payment, over a certain period of time.</u></p> <p><u>Where the loan is split into more than one part, report 'Y' where there has been a formal arrangement in place on any part.</u></p>
<p><u>Date of formal arrangement</u></p>	<p><u>DD/MM/YYY</u></p>	<p><u>Report date of most recent formal arrangement to repay a payment shortfall (where relevant).</u></p> <p><u>Once reported, this same date should be reported for each reporting period during which the</u></p>

		<p>arrangement is in place (including the reporting period in which the arrangement terminates). Where a formal arrangement is extended, continue to report the date of the original arrangement.</p>
<p><u>Capitalisation of payment shortfall</u></p>	<p><u>Y = yes</u> <u>N = no</u></p>	<p>Report 'Y' where a payment shortfall has been capitalised during the reporting period. (Note that this differs to the basis on which capitalisation is reported in the Mortgage Lending and Administration Return, as there is no requirement to delay reporting until the loan has been fully performing for a period of six consecutive months).</p> <p>Capitalisation is an arrangement agreed with the borrower to add all or part of a <i>payment shortfall</i> to the loan.</p> <p>Where the loan is split into more than one part, report 'Y' where there has been a capitalisation on any part.</p>
<p><u>Date of capitalisation of payment shortfall</u></p>	<p><u>DD/MM/YYYY</u></p>	<p>Report date of most recent capitalisation event where this occurred during the reporting period.</p> <p>Capitalisation is an arrangement agreed with the borrower to add all or part of a <i>payment shortfall</i> to the loan.</p>
<p><u>Temporary switch to interest-only</u></p>	<p><u>Y = yes</u> <u>N = no</u></p>	<p>Report 'Y' where a temporary switch of all or part of the mortgage to interest-only has been in place at any time during the reporting period.</p> <p>A 'temporary' switch refers to all non-permanent switches to interest-only. It does not cover contract variations where there has been a permanent change to interest-only.</p>

		<p>Where the loan is split into more than one part, report 'Y' where there has been a temporary switch to interest-only on any part.</p>
<p><u>Date of temporary switch to interest-only</u></p>	<p><u>DD/MM/YYYY</u></p>	<p>Report date of most recent switch of all or part of the mortgage to interest-only (where relevant).</p> <p>Once reported, this same date should be reported for each reporting period during which the switch is in place (including the reporting period in which the switch terminates). Where a temporary switch to interest-only is extended, continue to report the date of the original switch.</p> <p>A 'temporary' switch refers to all non-permanent switches to interest-only. It does not cover contract variations where there has been a permanent change to interest-only.</p>
<p><u>Payments suspended</u></p>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<p>Report 'Y' where a suspension of mortgage payments has been in place at any time during the reporting period, for reasons of forbearance.</p> <p>Do not report payment holidays allowed under the mortgage contract for non-forbearance reasons.</p> <p>Where the loan is split into more than one part, report 'Y' where there has been a payment suspension on any part.</p>
<p><u>Date payments suspended</u></p>	<p><u>DD/MM/YYYY</u></p>	<p>Date when most recent payment suspension was put in place (where relevant).</p> <p>Once reported, this same date should be reported for each reporting period during which the suspension is in place (including the reporting period in which the suspension terminates) Where a suspension is extended, continue to</p>

		<p><u>report the date of the original suspension.</u></p> <p><u>Do not report payment holidays allowed under the mortgage contract for non-forbearance reasons.</u></p>
<p><u>Reduced payments other than payment suspension and switches</u></p>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<p><u>Report where reduced payments, other than a payment suspension and/or a temporary switch to interest-only (whether in whole or in part), have been in place at any time during the reporting period, for reasons of forbearance.</u></p> <p><u>Where the loan is split into more than one part, report 'Y' where there has been a reduced payment on any part.</u></p>
<p><u>Date of reduced payment</u></p>	<p><u>DD/MM/YYYY</u></p>	<p><u>Date when most recent reduced payments (other than a payment suspension or a temporary switch to interest-only) were put in place (where relevant).</u></p> <p><u>Once reported, this same date should be reported for each reporting period during which the reduction is in place (including the reporting period in which the reduction ends) Where a reduction is extended, continue to report the date of the original reduction.</u></p>
<p><u>Term extension</u></p>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<p><u>Report 'Y' where there has been a term extension for reasons of forbearance during the reporting period.</u></p> <p><u>Also report 'Y' for term extensions applied to interest-only mortgages reaching maturity during the reporting period because the borrower is unable to repay the capital at the end of the original term.</u></p> <p><u>Do not report other term extensions made for non-forbearance reasons.</u></p>

		<p>Where the loan is split into more than one part, report 'Y' where there has been a term extension on any part.</p>
<u>Date of term extension</u>	<u>DD/MM/YYYY</u>	<p>Date when most recent term extension was put in place for reasons of forbearance where this occurred during the reporting period.</p>
<u>Other forbearance</u>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<p>Report 'Y' where other forbearance is in place or has been in place at any point during the reporting period.</p> <p>Other forbearance includes any kind of forbearance in relation to the mortgage (other than a formal arrangement, capitalisation, temporary switch to interest-only, suspended payments, reduced payments and term extension). For example, a reduced interest rate; matched payments; writing-off part of the loan; or a mortgage rescue scheme undertaken to reduce mortgage payments.</p> <p>Do not report methods of assisting the borrower to exit home ownership, such as assisted voluntary sale or mortgage rescue schemes where the borrower sells the whole property.</p> <p>Where the loan is split into more than one part, report 'Y' where there has been other forbearance on any part.</p>
<u>Date of other forbearance</u>	<u>DD/MM/YYYYY</u>	<p>Report date when most recent other forbearance was put in place (where relevant).</p> <p>Once reported, this same date should be reported for each reporting period during which the forbearance continues (including the reporting period in which the</p>

		<p>forbearance ends). Where the <u>forbearance is extended, continue to report the date of the original forbearance.</u></p>
<p><u>Date litigation action started</u></p>	<p><u>DD/MM/YYYY</u></p>	<p><u>Report start date of most recent litigation action (where relevant).</u></p> <p><u>This is defined as the date solicitors were instructed by the <i>firm</i> to begin litigation action.</u></p> <p><u>Once reported, this same date should be reported for each reporting period during which the litigation is ongoing (including the reporting period in which the litigation ends).</u></p>
<p><u>Is a possession order in place?</u></p>	<p><u>Y = yes</u></p> <p><u>N = no</u></p>	<p><u>Report 'Y' where a possession order has been in place at any time during the reporting period, whether absolute or suspended.</u></p>
<p><u>Date of possession or date receiver of rent appointed</u></p>	<p><u>DD/MM/YYYY</u></p>	<p><u>Report where possession has occurred or where receiver of rent appointed during the reporting period (where relevant).</u></p> <p><u>For possessions, once reported, this same date should be reported each reporting period.</u></p> <p><u>In the case of a receiver of rent being appointed, this same date should be reported for each reporting period during which the appointment continues (including the reporting period in which the appointment terminates).</u></p>
<p><u>Sale value achieved (for repossessions)</u></p>	<p><u>Numeric £</u></p>	<p><u>Report the sale price received for the repossessed property, where the property has been sold during the reporting period.</u></p> <p><u>In practice, this may be several reporting periods after the property has been taken into possession, according to how long it has taken to sell the property.</u></p>

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### 3 OPTIONAL REPORTING FIELDS

1. The following data items are not currently mandatory reporting fields. Firms are not obliged to report these items within the data report if the data is not readily available

*[Editor's Note: In the table below some of the original rows have been moved into the Compulsory table above, in some cases with amendments.]*

Data reporting field	Code (where applicable)	Notes
Initial gross charging rate of interest	numeric	The amount of interest reported should be the initial gross nominal rate charged on the loan and should take into account any discount being provided. Where the advance is split, the interest rate applying to the largest part of the advance should be entered.
Date incentivised rate ends	DD/MM/YYYY	Only applies to fixed, capped or discounted rates where the customer is paying an incentivised rate for a set period.
Date early repayment charge ends	DD/MM/YYYY	If applicable, report date early repayment charge ends.

2. The following data items are not required for regulatory purposes and should only be reported by mortgage lenders who currently support the RMS (Regulated Mortgage Survey) and other *home finance providers*.

Data reporting field	Code (where applicable)	Notes
Purchase price of property (Purchases only)	£ numeric	Purchase price as stated on application form.
Type of dwelling	B = bungalow D = detached house S = semi-	Use code to indicate property type. Only 1 code can apply.

	<p>detached house</p> <p>T = terraced house</p> <p>F = flat or maisonette in converted house</p> <p>P = purpose built flat or maisonette</p> <p>O = other</p>	
Number of habitable rooms	<del>numeric</del> <u>Numeric</u>	<u>Report the number of habitable rooms in the mortgaged property. Include <u>the kitchen</u>, but not bathroom/toilet, when determining the number of rooms.</u>
Number of bedrooms	<del>numeric</del> <u>Numeric</u>	Report the number of bedrooms in the mortgaged property.
Does the property have a garage	Y = <del>Yes</del> <u>yes</u> N = <del>No</del> <u>no</u>	The garage should be a permanent structure but does not have to stand on the main site of the property.
Is the dwelling new?	<del>Y=Yes</del> <del>N=No</del>	<del>New refers to the period in which the main structure of the dwelling was completed and also means where a dwelling is being occupied for the first time. Does not therefore include new conversions of older dwellings.</del>
Is mortgage payment protection insurance (PPI) being taken out with the mortgage?	<del>Y = Yes</del> <del>N = No</del>	<p><del>PPI can be any of the following:</del></p> <ul style="list-style-type: none"> <li><del>— full accident, sickness and unemployment insurance; or</del></li> <li><del>— accident and sickness only; or</del></li> <li><del>— unemployment only.</del></li> </ul> <p><del>Report 'Yes' even where the policy was sold or provided free and irrespective of whether the premiums are collected by the lender or the insurer.</del></p>

Is payment protection insurance (PPI) being taken out with the <i>home purchase plan</i> ?	Y = <del>Yes</del> <u>yes</u>  N = <del>No</del> <u>no</u>	PPI can be any of the following:  - full accident, sickness and unemployment insurance; or  - accident and sickness only; or  - unemployment only.  Report 'Yes' even where the policy was sold or provided free and irrespective of whether the premiums are collected by the lender or the insurer.
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**Part 2: Comes into force on 1 January 2015**

**16.12 Integrated Regulatory Reporting**

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Regulated Activity Group 3

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16.12.11 R The applicable *data items* referred to in SUP 16.12.4R are set out according to *firm* type in the table below:

Description of <i>data item</i>	Firms' prudential category and applicable data items (note 1)							
	<i>IFPRU investment firms</i> and <i>BIPRU firms</i>			<i>Firms other than BIPRU firms or IFPRU investment firms</i>				
	<i>IFPRU</i>	<i>BIPRU</i>	<i>IPRU (INV) Chapter 3</i>	<i>IPRU (INV) Chapter 5</i>	<i>IPRU (INV) Chapter 9</i>	<i>IPRU (INV) Chapter 13</i>	<i>UPR U</i>	
<i>Annual report and accounts</i>	...	No standard format	...	...	...	...	...	
...						...		
Securitisation: trading book	COREP (note 36)	...	...					
<u>Liquidity Questionnaire</u>	<u>MLA-M (Note 37)</u>	<u>MLA-M (Note 37)</u>	<u>MLA-M (Note 37)</u>	<u>MLA-M (Note 37)</u>	<u>MLA-M (Note 37)</u>	<u>MLA-M (Note 37)</u>	<u>MLA-M (Note 37)</u>	
Note 1	...							
...								
<u>Note 37</u>	<u>Only applicable to RAG 3 firms carrying on home financing or home finance administration</u>							

	connected to <i>regulated mortgage contracts</i> , unless as at 26 April 2014 its <i>Part 4A permission</i> was and continues to remain subject to a restriction preventing it from undertaking new <i>home financing or home finance administration</i> connected to <i>regulated mortgage contracts</i> .
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- 16.12.12 R The applicable reporting frequencies for *data items* referred to in SUP 16.12.4R are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

<i>Data Item</i>	<i>IFPRU 730K firm</i>	<i>IFPRU 125K firm and collective portfolio management investment firm</i>	<i>IFPRU 50K firm</i>	<i>BIPRU firm</i>	<i>UK consolidation group or defined liquidity group</i>	<i>Firm other than BIPRU firms or IFPRU investment firms</i>
COREP/FINREP	Refer to <i>EU CRR</i>				Refer to <i>EU CRR</i>	
<i>Annual report and accounts</i>	...					
...						
Section F RMAR						
<u>MLA-M</u>	<u>Quarterly</u>	<u>Quarterly</u>	<u>Quarterly</u>	<u>Quarterly</u>	<u>Quarterly</u>	<u>Quarterly</u>
Note 1	[deleted]					

- 16.12.13 R The applicable due dates for submission referred to in SUP 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in SUP 16.12.12R, unless indicated otherwise.

<i>Data item</i>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Quarterly</b>	<b>Half yearly</b>	<b>Annual</b>
COREP/FINREP	Refer to <i>EU CRR</i>					
<i>Annual report and accounts</i>	...					
...						
Section F RMAR					...	
<u>MLA-M</u>				<u>20 business days</u>		
Note 1	...					

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The text of SUP 16.12.8R and SUP 16.12.18AR is deleted. The deleted text is not shown.

- 16.12.18 R [deleted]

16.12.18A R [deleted]

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16.12.18 R (1) SUP 16.12.18BR does not apply to:  
AA

(a) a lead regulated firm;

(b) an OPS firm;

(c) a local authority.

(2) A lead regulated firm and an OPS firm must submit a copy of its annual report and audited accounts within 80 business days from its accounting reference date.

Amend the following as shown.

16.12.18B 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.

<u>Description of data item</u>	<u>Data item (note 1)</u>	<u>Frequency</u>	<u>Submission deadline</u>
<u>Annual report and accounts</u>	<u>No standard format</u>	<u>Annually</u>	<u>80 business days</u>
<u>Balance Sheet</u>	<u>Sections A.1 and A.2 MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Income Statement</u>	<u>Sections B.0 and B.1 MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Capital Adequacy</u>	<u>Section C MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Lending – Business flow and rates</u>	<u>Section D MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Residential Lending to individuals – New business profile</u>	<u>Section E MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Lending – arrears analysis</u>	<u>Section F MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>

<u>Mortgage Administration – Business Profile</u>	<u>Section G MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Mortgage Administration – Arrears analysis</u>	<u>Section H MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Analysis of loans to customers</u>	<u>Section A3 MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Provisions analysis</u>	<u>Section B2 MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Fees and Levies</u>	<u>Section J MLAR</u>	<u>Annually</u>	<u>30 business days</u>
<u>Sale and rent back</u>	<u>Section K MLAR</u>	<u>Annually</u>	<u>30 business days</u>
<u>Credit Risk (note 2)</u>	<u>Section L MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Liquidity (note 3)</u>	<u>Section M MLAR</u>	<u>Quarterly</u>	<u>20 business days</u>
<u>Note 1</u>	<u>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 <i>data items</i> are set out in SUP 16 Annex 19BG.</u>		
<u>Note 2</u>	<u>Only applicable to a <i>firm</i> that has one or more exposures that satisfy the conditions set out in MIPRU 4.2A.4R, and:</u> <ul style="list-style-type: none"> <li>- <u>has permission to carry on any <i>home financing</i> which is connected to <i>regulated mortgage contracts</i>; or</u></li> <li>- <u>has permission to carry on <i>home financing</i> and <i>home finance administration</i> which is connected to <i>regulated mortgage contracts</i> (and no other activity); or</u></li> <li>- <u>has permission to carry on <i>home finance administration</i> which is connected to <i>regulated mortgage contracts</i> and has all or part of the <i>home finance transactions</i> that it administers on its balance sheet.</u></li> </ul>		
<u>Note 3</u>	<u>Only applicable to a <i>firm</i> that has no restriction to its <i>Part 4A permission</i> preventing it from undertaking new <i>home financing</i> or <i>home finance administration</i> connected to <i>regulated mortgage contracts</i>, and:</u> <ul style="list-style-type: none"> <li>- <u>has permission to carry on any <i>home financing</i> or <i>home finance administration</i> connected to <i>regulated mortgage contracts</i>.</u></li> </ul>		

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

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Section D1: guide for completion of individual fields

<p>Is the firm exempt from these capital requirements in relation to any of its retail mediation activities?</p>	<p>...</p>
<p><b>Home finance and non-investment insurance mediation</b> (see sub paragraph (i) above)</p>	
<p>...</p>	
<p>Other FCA capital requirements (if applicable)</p>	<p>The FCA may from time to time impose additional requirements on individual <i>firms</i>. If this is the case for your <i>firm</i>, you should enter the relevant amount here. This excludes capital requirements in relation to PII, which are recorded below.</p> <p><u>If the firm carries on designated investment business as well as home finance mediation activity, insurance mediation activity or both, requirements under both IPRU(INV) or BIPRU and MIPRU must be considered, as it is the higher requirement that must be met (see sub paragraph (i) above). So if the requirement under IPRU(INV) or BIPRU for a firm is higher than MIPRU then you should include the difference here.</u></p> <p><u>A firm that carries on the activities of home finance providing activity and/or administering a home finance transaction may be subject to a capital requirement under MIPRU chapter 4. This is not catered for in this section and therefore the extent to which such a requirement exceeds the requirement for the firm's mediation activity should be entered here.</u></p> <p><del>There may be additional capital requirements imposed on firms that carry on a number of different regulated activities. For example, firms that carry on the activities of home finance providing activity or administering a home finance transaction in addition to home finance mediation activity and/or insurance mediation activity, and are not exempted under MIPRU 4.1.4R, may have an additional requirement under MIPRU</del></p>

	4.2.21R(2)-
Additional capital requirements for PII (if applicable)	...

...

**16 Annex 19AR****MORTGAGE LENDERS & ADMINISTRATORS RETURN ('MLAR')**

Summary of Contents	<u>Table Section</u>
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...

Sale & Rent Back (SRB Business)	<u>K</u>
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Credit Risk	<u>L</u>
-------------	----------

<u>Liquidity Questionnaire</u>	<u>M</u>
--------------------------------	----------

...

C CAPITAL		c1	(£000s)	c1	c2	C
<b>CAPITAL RESOURCES</b>		<i>Balance at quarter end</i>		<b>CAPITAL REQUIREMENTS</b>		
				<i>Balance at quarter end</i>	<i>Balance at quarter end</i>	
<b>C1</b>	<b>Eligible capital</b>			<b>C4</b>	<b>For a lender, or an administrator with administered assets on its balance sheet.</b>	
C1.1	Reserves	_____		C4.1	Asset based measure:	
C1.2	Interim profits	_____		C4.2	Total assets	
C1.3	Issued capital	_____		C4.2a	Less: assets subject to credit risk requirement	
C1.3a	Subordinated loans	_____		C4.3	Add: undrawn commitments and home reversion unreleased amounts	
C1.4	General Provisions	_____		C4.4	Less: Intangible assets	
C1.5	Other eligible capital	_____		C4.5	Total adjusted assets	
C1.6	Total eligible Capital	<input type="text"/>		C4.6	CAPITAL REQUIREMENT:	
				a) Minimum	100	reflecting minimum capital of £10C
				b) 1% of C4.5		using asset-based flat-rate measu
				c) Actual requirement	<input type="text"/>	being the higher of a) and b)
				c) Credit risk requirement	_____	
				d) Total of b) and c)	<input type="text"/>	
				e) Requirement (higher of (a) and (d))	<input type="text"/>	
<b>C2</b>	<b>Deductions from capital</b>			<b>C5</b>	<b>For an administrator not having administered assets on its balance sheet.</b>	
C2.1	Investments in own shares	_____			<i>Latest financial year</i>	<i>Estimated current financial year</i>
C2.2	Intangible assets	_____			<i>ending / /</i>	<i>ending / /</i>
C2.3	Interim net losses	_____		C5.1	Income based measure :	
C2.3a	Subordinated loan restriction	_____		C5.2	Total income	
C2.4	Other deductions	_____		C5.3	Relevant adjustments	
C2.5	Total deductions	<input type="text"/>		C5.4	Total relevant income	
<b>C3</b>	<b>CAPITAL RESOURCES (=C1.6 - C2.5) CALCULATION</b>					
C3.1	CAPITAL RESOURCES	_____ (=C1.6 - C2.5)		C5.5	CAPITAL REQUIREMENT:	
C3.2	LESS: CAPITAL REQUIREMENT	_____		a) Minimum	100	100
C3.3	SURPLUS / (DEFICIT) OF RESOURCES	<input type="text"/>		b) 10% of C5.4	_____	_____
				c) Actual requirement	<input type="text"/>	<input type="text"/>
				c) Requirement (higher of (a) and (b))	<input type="text"/>	<input type="text"/>

...

**The following forms are new text and are not underlined**

**MLAR L - Credit risk**

Part 1	A	B	C	D	E	Memo items	
	Exposure value (Balance Sheet)	Credit risk mitigation	Other Value Adjustments	Risk weighted exposure amount	Capital requirement	F Individual Impairment Balance	G Collective Impairment Balance
<b>Loans/exposures not securitised</b>							
1	Loans with mortgages on residential property						
2	Loans with mortgages on commercial property						
3	Other loans						
4	<b>Collective investment undertakings</b>						
<b>Loans/exposures securitised</b>							
5	Securitisations (originated only)						
6	Total exposure value						
7	<b>Total credit risk requirement</b>						

Part 2	A	D	E	F	G
Memo items	Exposure value (Balance Sheet)	Risk weighted exposure amount	Capital requirement	Individual Impairment Balance	Collective Impairment Balance
8	Past due items on loans with mortgages on residential property				
9	Past due items on loans with mortgages on commercial property				
10	Past due items on other loans				
11	Buy-to-let mortgages on residential property				
12	Buy-to-let mortgages on commercial property				
13	Second charge mortgages on residential property				
14	Second charge mortgages on commercial property				

**Part 3**

**15 Securitisations - Transaction level information where the firm is an originator**

	A	B			C			D	E			F	G	H	J			K	L
	Programme Name	Originator's Interest (i.e. amount retained)			Investors' Interest (i.e. amount purchased by investors)			Capital requirement before securitisation	Capital requirement after securitisation			Based on risk weights	Significant risk transfer add-on	Total					
		Senior	Mezzanine	Equity	Senior	Mezzanine	Equity												
1																			
...																			
n																			

16 Total capital requirement after securitisation

**MLAR M**

**Liquidity Questionnaire**

**Part 1 - Adequacy of liquidity resources**

	A	B
		if no or not applicable, please explain (max 400 chars)
1	Do you maintain, at all times, liquidity resources which are adequate, both as to amount and quality, to ensure that there is no significant risk that you cannot meet your liabilities as they fall due? (If you answer no above, leave the remaining data elements blank)	
2	State the value of liquid resources that you hold as of the reporting date	

**Part 2 - Systems and controls**

3	Do you have in place robust strategies, policies, processes and systems that enable you to identify, measure, manage and monitor liquidity risk over the appropriate set of time horizons for your business activities, to ensure you maintain adequate levels of liquidity resources?	
---	--	--

**Part 3 - Stress testing**

4	Do you consider institution specific and market wide stresses and their impact upon your assets?	
5	Does stress testing extend to interest rate and/or foreign currency exposures that could have an impact on your liquidity/solvency?	
6	Does your firm undertake stress testing regularly on your liquidity risk model?	
7	Is your approach to stress testing documented?	

**Part 4 - Contingency funding plans**

8	Do you have an appropriate contingency funding plan in place that is regularly tested and updated?	
9	Is your contingency funding plan documented?	

**Part 5 - Senior management oversight**

10	Does the firm have reliable management information systems to provide the governing body/senior management with timely and forward-looking information on the liquidity position of the firm?	
11	Does the governing body/senior management review, at least annually, the adequacy of the strategies, policies, processes and systems to identify, measure, manage and monitor liquidity risk?	
12	Does the governing body/senior management approve stress tests and contingency funding plans?	

...

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

...

### INTRODUCTION: GENERAL NOTES ON THE RETURN

...

## 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~~ not all sections are applicable to all types of *home finance activity firm*. The applicability of each section is explained in the table below:

- ~~A *firm* carrying on both *home finance providing activity* and *administering a home finance transaction* will need to complete the whole of the *MLAR*;~~
- ~~A *firm* carrying on *home finance providing activity* but not also *administering a home finance transaction* will need to complete the whole of the *MLAR* except sections G and H;~~
- ~~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*.)~~

~~However, the above requirements are subject to the further details below, which are designed to avoid any duplication between *MLAR* reporting requirements and any other reporting requirements arising from the *firm's* other *regulated activities* (eg as a *bank*, *building society*, *securities and futures firm* etc). The rules in *SUP 16* (section 16.12) provide full details of which sections of the *MLAR* do not apply for each *firm* type.~~

<b>Firm</b>	<b>Sections of the MLAR not required</b>
<i>Home finance provider/administrator with no other activities (a)</i>	No duplication, so complete all sections described above this table
<i>Home finance provider/administrator that is also subject to the RMAR (a)</i>	Duplication in RMAR, but complete all MLAR sections described above this table
<i>Securities &amp; futures firm or investment management firm</i>	A1, A2 and B1
<i>Incoming EEA firm (b)</i>	A1, A2, B1 and C
<i>UK branch of a non-EEA bank</i>	No duplication, so complete all sections described above this table
<i>Members' adviser</i>	No duplication, so complete all sections described above this table
<i>Authorised professional firm</i>	No duplication, so complete all sections described above this table
<i>Other firm types/regulated activities (except above)</i>	A1, A2, B1 and C

**Key:** **A1:** Assets — **A2:** Liabilities — **B1:** Profit & Loss — **C:** Capital  
**Note (a):** a firm which is a solo-consolidated subsidiary of an authorised credit institution is not required to complete section C of the MLAR.

<b>Section</b>	<b>Applicability:</b>
<u>A1 and A2: Balance sheet</u>	<u>Applies to all home finance activity firms except:</u> <ul style="list-style-type: none"> <li>- <u>A firm that is required to submit a balance sheet by a lower numbered regulated activity group, as described in SUP 16.12.3R(1)(a)(iii)</u></li> <li>- <u>An incoming EEA firm (note a)</u></li> </ul>
<u>A3: Analysis of loans to customers</u>	<u>Applies to all home finance activity firms</u>
<u>B1: Income statement</u>	<u>Applies to all home finance activity firms except:</u> <ul style="list-style-type: none"> <li>- <u>A firm that is required to submit an income statement by a lower numbered regulated activity group, as described in SUP 16.12.3R(1)(a)(iii)</u></li> <li>- <u>An incoming EEA firm (note a)</u></li> </ul>
<u>B2: Provisions analysis</u>	<u>Applies to all home finance activity firms</u>

<u>C: Capital</u>	<p><u>Applies to all home finance activity firms except:</u></p> <ul style="list-style-type: none"> <li>- <u>A firm that is required to submit a capital adequacy data item by a lower numbered regulated activity group, as described in SUP 16.12.3R(1)(a)(iii)</u></li> <li>- <u>An incoming EEA firm (note a)</u></li> <li>- <u>A firm which is a solo-consolidated subsidiary of an authorised credit institution</u></li> </ul>
<u>D: Lending: business flows and rates</u>	<p><u>Applies to all firms with permission to undertake a home finance providing activity except:</u></p> <ul style="list-style-type: none"> <li>- <u>SRB agreement providers</u></li> <li>- <u>SRB administrators</u></li> </ul>
<u>E: Residential lending to individuals: new business profile</u>	<p><u>Applies to all firms with permission to undertake a home finance providing activity except:</u></p> <ul style="list-style-type: none"> <li>- <u>SRB agreement providers</u></li> <li>- <u>SRB administrators</u></li> </ul>
<u>F: Lending: Arrears Analysis</u>	<p><u>Applies to all firms with permission to undertake a home finance providing activity except:</u></p> <ul style="list-style-type: none"> <li>- <u>SRB agreement providers</u></li> <li>- <u>SRB administrators</u></li> </ul>
<u>G: Mortgage Administration: Business Profile</u>	<p><u>Applies to all firms with permission to undertake administering a home finance transaction, except:</u></p> <ul style="list-style-type: none"> <li>- <u>SRB administrators</u></li> </ul>
<u>H: Mortgage Administration: Arrears analysis</u>	<p><u>Applies to all firms with permission to undertake administering a home finance transaction, except:</u></p> <ul style="list-style-type: none"> <li>- <u>SRB administrators</u></li> </ul>
<u>J: Fee tariff measures</u>	<u>Applies to all home finance activity firms</u>
<u>K: Sale and rent back business</u>	<u>Applies to SRB agreement providers and SRB administrators</u>
<u>L: Credit risk</u>	<u>Applies to a firm that meets the conditions of SUP 16.12.18BR (note 2).</u>
<u>M: Liquidity</u>	<u>Applies to a firm that meets the conditions of SUP 16.12.18BR</u>

(note 3).
-----------

Note ~~(b)~~ (a): *Credit Institutions* passporting under *BCD* for *mortgage lending* (which also includes *mortgage administration*), or other *firms* passporting under another EU Directive for a non-mortgage activity and holding a *top-up permission* from the appropriate regulator for *mortgage lending* and/or *mortgage administration*. Also includes *firms* classed as "*Treaty firms*" under Schedule 4 of the Act. But any other *EEA firm* type should complete in full all sections of the *MLAR* described above this table, as it would not be eligible for any reduction in reporting requirements.

### **Commencement and transitional provision**

The *MLAR* sections on **Arrears** (tables F and H) are not required to be submitted as part of a *firm's* first *MLAR* submission if that first submission is in respect of the *firm's* first financial quarter starting on or after 1 April 2005; but this concession does not apply however to firms that are subject to delayed implementation of *MLAR* in 2006. They should however be included in all subsequent quarterly submissions. A *firm* may of course submit these sections from the outset, but is not obliged to do so.

The position regarding **building society reporting** merits specific comment. Societies have previously reported a range of information on *mortgage lending* that has much in common with certain sections of the *MLAR*. Now mortgage reporting requirements have been finalised, societies' existing reporting will change from the implementation of the *MLAR* to avoid duplication. When societies begin to submit the *MLAR*, they will no longer be required to submit the following sections of the QFS1:

- ~~QFS1 table G (1): All sections~~
- ~~QFS1 table G (2): All sections~~
- ~~QFS1 table J: Sections J2 and J3 only (Note (a))~~
- ~~QFS1 table K (1): Sections K1 and K2 only~~
- ~~QFS1 table K (2): Sections K4 and K5 only (Note (a))~~

**Note (a):** These sections should however continue to be completed in respect of *subsidiaries* that hold mortgages but which are not required to complete the *MLAR* (ie they are not authorised to undertake a *mortgage lending* activity).

**NB:** A society may however continue to submit these sections of the QFS1, if it so wishes (in addition to the *MLAR*). This option is intended to cater for those circumstances where a society has automated the production of its QFS1 and wishes to avoid additional work involved in cutting back on reporting as specified above.

### **3. Purpose of reporting requirements**

...

The reporting requirements set out in the *MLAR* will enable the *appropriate regulator* to realise these information needs. In particular:

**Tables A to C, L, M:** provide the framework for the *appropriate regulator's* financial monitoring and prudential supervision of *home finance providers* and *administrators*;

...

#### 4b. Sale and rent back business

...

SRB firms should **not** complete sections D to H, L or M in respect of the SRB business.

...

### SECTION C: CAPITAL

#### INTRODUCTION

The *threshold conditions* state that the resources of a *firm* must be adequate in the opinion of the *appropriate regulator* in relation to the *regulated activities* that the *firm* seeks to carry on or carries on. In addition, a *firm* is required to maintain 'adequate financial resources'. A ~~mortgage~~ home finance lender/administrator should have adequate capital and funding to meet these requirements.

In addition, the *FCA* and the *PRA* are required to identify the main risks to ~~our~~ their statutory objectives. In assessing *firm*-specific risks we are required to assess the risks arising from the financial failure of a *firm* (due to business risks from the external environment, or control risks arising from the *firm* itself) which might affect both the market and individual *customers*. The specific *FCA* objectives that are potentially impacted are those relating to market confidence and consumer protection.

Details provided in this Section on Capital are drawn from the appropriate provisions of *MIPRU* 3.4 (~~Professional indemnity insurance~~ Capital Resources).

#### C1-2 CAPITAL RESOURCES

C1 and C2 set out ~~first~~ the individual components of **eligible capital** and ~~secondly~~ the **separate deductions** that should be made to arrive at qualifying capital resources.

Components of eligible capital are:

##### (1) Share capital

*Share* capital must be fully paid (i.e. the *firm* is under no obligation to repay this capital unless and until the *firm* is wound up) and may include ordinary *share* capital or preference *share* capital (excluding preference *shares* redeemable by shareholders within two years).

See paragraph (7) Subordinated loans below for details of the limits that may apply to the inclusion of redeemable preference shares in capital resources.

...

##### (3) Reserves

Reserves are accumulated profits retained by the *firm* (after deduction of tax, dividends and proprietors' or *partners*' drawings) and other reserves created by appropriations of *share* premiums and similar realised appropriations. Reserves also include gifts of capital, for example, from a parent company. For *partnerships*, reserves include *partners*' current accounts according to the most recent financial statement. Reserves must be audited unless the *firm* is eligible to include unaudited reserves in its capital resources calculation under ~~PRU 9.3.52R~~ MIPRU 4.4.2R.

...

#### **(4) Interim net profits and partners' interim current accounts**

A *firm* is not required to take into account interim net profits. However, if it does, the profits have to be verified by the *firm*'s external auditors, net of tax, anticipated dividends or proprietors' drawings and other appropriations unless the *firm* is eligible to include unverified interim net profits in its capital resources calculation under ~~PRU 9.3.52R~~ MIPRU 4.4.2R.

...

#### **(6) General /collective provisions**

*Firms* should report general/collective provisions that are held against potential losses that have not yet been identified, but which experience indicates are present in the *firm*'s portfolio of assets. Such provisions must be freely available to meet these unidentified losses wherever they arise. General/collective provisions must be verified by external auditors and disclosed in the *firm*'s annual report and accounts unless the *firm* is eligible to include unaudited general and collective provisions in its capital resources calculation under ~~PRU 9.3.52R~~ MIPRU 4.4.2R.

...

(9) the debt must be unsecured and fully paid up.

For a mortgage lender or mortgage administrator undertaking business connected to regulated mortgage contracts (unless its Part 4A permission prevents it from undertaking new business), MIPRU 4.4.8R limits the amount of subordinated loans and redeemable preference shares that can be included in eligible capital.

In Table C of the MLAR the firm will deduct from capital resources under item C2.3a any amount by which the subordinated loans and redeemable preference shares exceed the limit in MIPRU 4.4.8R.

#### **Treatment of eligible capital items (listed above) in section C1:**

...

**C1.3 Issued capital:** include items

- *share* capital
- *partnership* or *sole trader* capital
- ~~subordinated loans~~

#### **C1.3a Subordinated loans**

...

## **C2 Deductions from capital**

...

**C2.2 Intangible assets** are the full balance sheet value of goodwill, capitalised development costs, brand names, trademarks and similar rights and licences. ~~However, the balance sheet value for goodwill does not have to be deducted here until 14 January 2008. See MIPRU 4.4.4R~~

...

### **C2.3a Subordinated loan and redeemable preference share restriction**

This is the amount of any excess as computed under the restriction explained in paragraph (7) of the C1-2 CAPITAL RESOURCES section above.

...

## **C3 Total Capital Resources**

This is total eligible capital less total deductions (~~C1.6—C2.5~~).

## **C3 CAPITAL RESOURCES CALCULATION**

### **C3.1 CAPITAL RESOURCES**

This is total eligible capital less total deductions (C1.6 – C2.5).

### **C3.2 Capital requirement**

This is the amount calculated in section in C4.6(e).

### **C3.3 SURPLUS / (DEFICIT) OF RESOURCES**

This is the capital resources less the capital requirement (C3.1 – C3.2).

## **C4 CAPITAL REQUIREMENTS**

### **C4 Capital requirement for a lender, or an administrator with administered assets on its balance sheet**

The capital requirement for ~~mortgage~~ lenders; or ~~mortgage~~ administrators that have the *regulated mortgage contracts* that they administer on their balance sheet is asset-based, and the information required is detailed in C4.2 to ~~C4.4~~ C4.6.

**C4.2 Total assets:** this is the total value of ~~fixed and current~~ assets as shown at line A1.12 in section A of the MLAR.

**C4.2a Assets subject to the credit risk requirement**

This is the amount of assets subject to the credit risk requirement computation as shown at line 6A in section L of the MLAR.

This is relevant for a mortgage lender; or mortgage administrator with its administered assets on balance sheet, that undertakes business connected to regulated mortgage contracts that has one or more exposures which satisfy the conditions set out in MIPRU 4.2A.4R.

**C4.3 Undrawn commitments and home reversion unreleased amounts**

Undrawn commitments means the total of those amounts which a borrower has the right to draw down from the *firm* but which have not yet been drawn down (see MIPRU 4.2.12R and MIPRU 4.2.13G).

...

**C4.5 Total adjusted assets:** this is the sum of C4.2 and C4.3, less C4.2a and C4.4

**C4.6 CAPITAL REQUIREMENT**

This section sets out how to calculate the capital requirement for a lender, or an administrator with administered assets on its balance sheet (See MIPRU 4.2.12R, MIPRU 4.2.18R and MIPRU 4.2.23R):

- a) is the minimum requirement of £100,000;
- b) is 1 % of the amount shown as total adjusted assets at C4.5, ie the assets that are not subject to the credit risk requirement calculation;
- c) is the credit risk requirement as shown at line 9E in section L of the MLAR;
- d) is the total of b) and c); and
- e) is the capital requirement which is the higher of the fixed amount at a) and the sum shown at d).

**C5 Capital requirements for an administrator not having administered assets on its balance sheet**

**C5.1** This section sets out the income-based capital requirements applicable to *mortgage administrators* that ~~have been appointed by persons that are not authorised to administer regulated mortgage contracts on their behalf, and which therefore do not have the assets that they administer on their balance sheet.~~ The information requirements are detailed in C5.2 – 5.4 5.5.

Firms should report the following amounts from both their most recent annual financial statement and their estimated accounts for the current reporting year.

## **C5.2 Total income**

~~Firms should report the following amounts in their most recent (or other) financial statements, and an estimate of income for the current reporting year.~~

Total income should include both revenue and gains arising in the course of the ordinary activities of a *firm*. Revenue consists of commissions, fees, net interest income, dividends, royalties and rent. Only gains that are recorded in the profit and loss account should be included in income. What is relevant for the calculation of income is the amount of actual income generated rather than the gross cash streams of any one transaction (see MIPRU 4.3.7R).

...

## **C5.5 CAPITAL REQUIREMENT**

This sets out how to calculate the capital requirement for a *administrator* not having administered assets on its balance sheet (see MIPRU 4.2.19R):

- a) is the minimum requirement of £100,000;
- b) is 10 % of the amount shown as total relevant income at C5.4 above; and
- c) is the capital requirement which is the higher of the minimum amount at a) and the calculation shown at b).

...

All of the following text is new and is not underlined

## **SECTION L: CREDIT RISK**

### **INTRODUCTION**

The purpose of this *data item* is so that a *firm* can provide an analysis of its credit risk capital requirement as calculated under MIPRU 4.2A, 4.2B and 4.2C.

This *data item* is only relevant to *firms* that meet the criteria set out in note 2 of SUP 16.12.18BR. If that is the case then all relevant exposures must be included in the credit risk capital requirement calculation. See MIPRU 4.2A.4R.

Please note that this *data item* is intended to be a summary of the credit risk capital calculation as calculated under MIPRU 4.2A, 4.2B and 4.2C and is not a detailed work schedule.

**Data elements:** These are referred to by row first then by column, so data element 2B will be the row numbered 2 in column B.

Section L is structured in three parts. The first part (rows 1-7) focuses on the breakdown of the credit risk capital requirement by types of exposure. The second part (rows 8-14) is a memo section that requests further detail on specific elements that will already be incorporated within the first part. The third part (rows 15 and 16) requests transaction level information on a *firm's* securitisations.

### **Part 1 – Rows 1 to 7**

This part of the *data item* focuses on providing a breakdown of a *firm's* credit risk capital requirement under the two categories of 'loans/exposures that are not securitised' and 'loans/exposures securitised'. The category 'loans/exposures not securitised' is further broken down into four loan/exposure types. A *firm* should report its credit risk capital requirement across the five loan/exposure types under the two categories of 'loans/exposures that are not securitised' and 'loans/exposures securitised' in rows 1 to 5.

Please note: This part cannot be used as a worksheet to calculate the credit risk capital requirement for each loan/exposure type, because some loan/exposure types may contain more than one risk weighting within the row.

### **Row 1 – Loans with mortgages on residential property**

A *firm* should include all loans entered into with mortgages on residential property that have not been securitised in this row. This includes loans that are past due, buy-to-let loans on residential property, second charge and subsequent mortgages on residential property, and mortgages on residential property irrespective of the loan to value.

### **Row 2 – Loans with mortgages on commercial property**

A *firm* should include all loans with mortgages on commercial property that have not been securitised in this row. This includes loans that are past due, buy-to-let loans on commercial property, and second charge and subsequent mortgages on commercial property.

### **Row 3 – Other Loans**

A *firm* should include in this row all loans that are not included in rows 1, 2, 4 and 5.

### **Row 4 – Collective Investment Undertakings**

A *firm* should include all positions in collective investment undertakings in this row.

### **Row 5 – Securitisation (originated only)**

A *firm* should include all positions in assets that have been included in securitisations originated by the *firm* in this row. Rows 15 and 16 request further detail on these exposures. See *MIPRU* 4.2B for more information on calculating the credit risk capital requirement for securitisations.

### **Column A**

A *firm* should report the exposure value of assets for each of the five loan/asset types. This should be the balance sheet value (i.e. net of any provisions). See *MIPRU* 4.2A.6R.

### **Column B**

A *firm* should report here the amount of credit risk mitigation for each of the five loan/asset types. See *MIPRU* 4.2C.

**Column C**

A *firm* should report here any other credit valuation adjustments for each of the five loan/asset types.

**Column D**

For each of the five loan/asset types, a *firm* should report the total *risk weighted exposure amount*. A firm should have regard to MIPRU 4.2A.7R to MIPRU 4.2A.18G when calculating *risk weighted exposure amounts*.

**Column E**

This contains the credit risk capital requirement for each of the five loan/asset types, which is 8 per cent of the relevant *risk weighted exposure amount* in Column D.

**Columns F and G**

These are memorandum item columns. For each of the five loan/exposure types, a *firm* should report the total value of individual (specific) and collective (general) impairment balances/provisions that were made BEFORE arriving at the balance sheet exposure value of loans/exposures reported in Column A.

**5A Total exposure value of securitisations**

This is the total exposure value of assets that have been securitised and originated by the *firm*. This should equal the sum of the value of assets reported in columns B, C and D of the table in element 15.

**6A Total Exposure Value**

This is the total balance sheet value of assets that have been included in the credit risk capital requirement calculation, being the sum of data elements 1A to 5A. This should also be the value of assets reported in *data element* C4.2a in MLAR Section C.

**7E Total credit risk capital requirement**

This is the total credit risk capital requirement, being the sum of *data elements* 1E to 5E. This should also be the credit risk capital requirement reported in *data element* C4.6(c) in MLAR Section C.

**Part 2 – Rows 8 to 14**

This part of the *data item* contains memorandum items on specific elements that have already been recorded in Rows 1 to 7. The aim of this part of the *data item* is to obtain targeted prudential information on certain loan types. As a result, a *firm* should not omit data from Part 2, because a *firm* has already included that data in Part 1. Equally, a *firm* should not omit data from Part 1, because the data will be included in Part 2. For example, if a *firm* has a past due loan on a mortgage on a residential property, that data should be included in the credit risk capital requirement calculation in row 1 **and** in row 8. Another example is a second charge mortgage on a residential property, where the data will be included in the row 1 **and** in row 13.

**Column A**

A *firm* should report the exposure value of assets for each specific loan type. This should be the balance sheet value (i.e. net of any provisions). See MIPRU 4.2A.6R.

**Column D**

For each specific loan type, a *firm* should report the total *risk weighted exposure amount*. A *firm* should have regard to MIPRU 4.2A.7R to MIPRU 4.2A.18G when calculating *risk weighted exposure amounts*.

**Column E**

This contains the credit risk capital requirement for each specific loan type, which is 8% of the relevant *risk weighted exposure amount* in Column D.

**Columns F and G**

For each specific loan type, a *firm* should report the total value of individual (specific) and collective (general) impairment balances/provisions that were made BEFORE arriving at the balance sheet exposure value reported in Column A.

**Row 8 – Past due item on loans with mortgages on residential property**

A *firm* should report in this row all past due loans with mortgages on residential property. See MIPRU 4.2A.17R.

**Row 9 – Past due item on loans with mortgages on commercial property**

A *firm* should report in this row all past due loans with mortgages on commercial property. See MIPRU 4.2A.17R.

**Row 10 – Past due items on other loans**

A *firm* should report in this row all past due loans on other loans. See MIPRU 4.2A.17R.

**Row 11 – Buy-to-let mortgages on residential property**

A *firm* should report in this row all buy-to-let mortgages on residential property.

**Row 12 – Buy-to-let mortgages on commercial property**

A *firm* should report in this row all buy-to-let mortgages on commercial property.

**Row 13 – Second charge mortgages on residential property**

A *firm* should report in this row all second charge and subsequent mortgages on residential property.

**Row 14 – Second charge mortgages on commercial property**

A *firm* should report in this row all second charge and subsequent mortgages on commercial property.

**Part 3 – Rows 15 and 16**

This part of MLAR Section L provides transaction-level information on the securitisations that a *firm* has originated. A *firm* will report each securitisation programme in a different row and complete columns A to L for each securitisation programme.

**Column A**

A *firm* should report the name of the securitisation programme.

**Columns B, C and D**

A *firm* should record the value of the securitisation that has been retained by the *firm* under each of the headings: Senior, Mezzanine and Equity.

For the purposes of completing columns B, C and D of Part 3 of MLAR section L, Senior is the value of securitisation *tranches* that have *credit quality step* 1 (see the appropriate standardised approach table at <http://www.fca.org.uk/your-fca/documents/fsa-ecais-securitisation>), Equity is the value of securitisation *tranches* that have *credit quality step* 4, 5 or ‘all other credit assessments’ and Mezzanine is the value of securitisation *tranches* that are not Senior or Equity *tranches*. Purely for the purposes of completing columns B, C and D of Part 3, all unrated securitisation *tranches* should be classified as equity *tranches*.

### **Columns E, F and G**

A *firm* should record the value of the securitisation that has been purchased by investors (and therefore no longer being held by the *firm*) under each of the headings: Senior, Mezzanine and Equity.

For the purposes of completing columns E, F and G of Part 3 of MLAR section L, Senior is the value of securitisation *tranches* that have *credit quality step* 1 (see the appropriate standardised approach table at <http://www.fca.org.uk/your-fca/documents/fsa-ecais-securitisation>), Equity is the value of securitisation *tranches* that have *credit quality step* 4, 5 or ‘all other credit assessments’ and Mezzanine is the value of securitisation *tranches* that are not Senior or Equity *tranches*. Purely for the purposes of completing columns E, F and G all unrated securitisation *tranches* should be classified as equity *tranches*.

### **Column H**

This is the total credit risk capital requirement for the assets that are included in the securitisation programme but before the effect of the securitisation. The value reported in this column should be based on all assets included in the securitisation programme even though a *firm* will subsequently retain only a portion of the securitisation.

### **Column J**

This is the total credit risk capital requirement for the securitisation programme that has been retained by a *firm* based on the credit risk weights in *MIPRU* 4.2B.

### **Column K**

This is the total significant risk transfer add-on that should be added to the capital requirement for the securitisation programme.

### **Column L**

This is the total credit risk capital requirement for the securitisation programme. This should be the sum of columns J and K for each securitisation programme.

### **16L Total capital requirement after securitisation**

This is the total capital requirement for securitisation positions originated by a *firm*. This should equal the value reported in 5E.

## **SECTION M: LIQUIDITY**

### **INTRODUCTION**

The purpose of this *data item* is for a *firm* to confirm that it complies with the liquidity resources requirements in *MIPRU 4.2D*.

This *data item* is only relevant to a *firm* that does not have a restriction on its *Part 4A permission* that prevents it from undertaking new *home financing* or *home finance administration* (with mortgage assets on balance sheet) connected to *regulated mortgage contracts*.

In relation to the questions in *MLAR Section M Liquidity Questionnaire* (with the exception of question 2), a *firm* should, as appropriate, answer “yes”, “no”, or “not applicable” For those questions where the answer is “no” or “not applicable” a *firm* must explain why in column B.

### **Part 1 – Adequacy of liquidity resources**

Question 1 – In answering this question a *firm* should have regard to *MIPRU 4.2D.2R* and *MIPRU 4.2D.3G*. If a *firm* answers “no” or “not applicable”, it should explain why in column B and the *firm* does not need to complete the rest of *MLAR Section M*.

Question 2 – In deciding on the amount of liquidity resources that a *firm* holds or is able to generate a *firm* should have regard to *MIPRU 4.2D.3G*. The figure should be entered in 000’s.

### **Part 2 – Systems and controls**

Question 3 – In answering this question a *firm* should have regard to *MIPRU 4.2D.4R* and *MIPRU 4.2.D.5R*.

Please note that Part 5 of *MLAR Section M* covers senior management oversight separately.

### **Part 3 – Stress testing**

Question 4 – In answering this question a *firm* should have regard to *MIPRU 4.2D.8R*, *MIPRU 4.2D.10R* and *MIPRU 4.2D.11G*.

Question 5 – In answering this question a *firm* should have regard to *MIPRU 4.2D.8R*, *MIPRU 4.2D.9R(1)* and (2), *MIPRU 4.2D.10R* and *MIPRU 4.2D.11G*.

Question 6 – In answering this question a *firm* should have regard to *MIPRU 4.2D.9R(1)* and (2).

Question 7 - In answering this question a *firm* should have regard to *MIPRU 4.2D.9R(3)*.

### **Part 4 – Contingency funding plans**

Question 8 - In answering this question a *firm* should have regard to *MIPRU 4.2D.13R*.

Question 9 - In answering this question a *firm* should have regard to *MIPRU 4.2D.13R(2)(a)*.

### **Part 5 – Senior management oversight**

Question 10 - In answering this question a *firm* should have regard to *MIPRU* 4.2D.6R.

Question 11 – In answering this question a *firm* should have regard to *MIPRU* 4.2D.7R.

Question 12 – In answering this question a *firm* should have regard to *MIPRU* 4.2D.10R, *MIPRU* 4.2D.13R and *MIPRU* 4.2D.14R.