

## Chapter 13

Arrears, payment shortfalls  
and repossessions:  
regulated mortgage contracts  
and home purchase plans



13.1 Application

Who?

13.1.1 R This chapter applies to a *firm* in a category listed in column (1) of the table in ■ MCOB 13.1.2 R in accordance with column (2) of that table.

13.1.2 R Table: This table belongs to ■ MCOB 13.1.1 R

(1) Category of firm	(2) Applicable section
<i>mortgage lender</i> , and a <i>firm</i> that was a <i>mortgage lender</i> before the sale of a <i>repossessed</i> property	MCOB 13.1-MCOB 13.3, except for MCOB 13.3.9 R to MCOB 13.3.11 G
<i>mortgage administrator</i> , and a <i>firm</i> that was a <i>mortgage administrator</i> before the sale of a <i>repossessed</i> property	whole chapter except for MCOB 13.8
<i>home purchase provider</i> , and a <i>firm</i> that was a <i>home purchase provider</i> before the sale of a <i>repossessed</i> property	As for a <i>mortgage lender</i>
<i>home purchase administrator</i> , and a <i>firm</i> that was a <i>home purchase administrator</i> before the sale of a <i>repossessed</i> property	As for a <i>mortgage lender</i> , plus: MCOB 13.6 and MCOB 13.8; and MCOB 13.4 and MCOB 13.5 in accordance with MCOB 13.8

What?

13.1.3 R This chapter applies with respect to *administering a regulated mortgage contract*, *administering a home purchase plan* and *administering a sale shortfall*.

13.1.4 R The requirements in this chapter will continue to apply to a *firm* after a *regulated mortgage contract* or *home purchase plan* has come to an end following the sale of a *repossessed* property. References in this chapter to "*customer*" will include references to a former *customer* as appropriate.

13.1.5 G The *FCA* expects a *firm* to treat a *sale shortfall* in the same way that it treats a *payment shortfall*.

13.1.6 G A *firm* may have entered into a mix of *regulated mortgage contracts* and *non-regulated mortgage contracts* with a *customer* secured on the same property. In such circumstances, if the *regulated mortgage contract* is in *arrears*, notwithstanding that the overall position in respect of the

mortgages generally is not in *arrears*, the *firm* will need to comply with all the requirements of ■ MCOB 13 in respect to the *regulated mortgage contract*. Where this involves providing the *customer* with information, a *firm* should explain, if it is the case, that whilst the overall position on the mortgages is not in *arrears*, no action will be taken in respect of the *regulated mortgage contract*.

## 13.1.7

G

If a *firm* has entered into more than one *regulated mortgage contract* or *home purchase plan* with the same *customer* relating to the same property, the *firm* may treat them all as one for the purposes of this chapter.