

Chapter 2A

Mortgage Credit Directive



2A.4

Early repayment

- 2A.4.1
- R
- (1) An *MCD mortgage lender* must give a *consumer* who enters into an *MCD regulated mortgage contract* the right to discharge fully or partially his obligations under that *MCD regulated mortgage contract* prior to its expiry.

(2) If the *consumer* exercises the right in (1), the *MCD mortgage lender* must reduce the *total cost of the credit to the consumer* by an amount equal to the interest and costs for the remaining duration of the *MCD regulated mortgage contract*.

[Note: article 25(1) of the *MCD*]
- 2A.4.2
- R
- MCOB 2A.4.1R (1) does not prevent an *MCD mortgage lender* from imposing an *early repayment charge* in accordance with ■ MCOB 12.3.1 R.
- 2A.4.3
- G
- MCOB 7A.3 sets out the *MCOD* disclosure rules in relation to early repayment.