

Chapter 6

Disclosure at the offer stage



6.7 Business loans and loans to high net worth mortgage customers: tailored provisions

- 6.7.1

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(1) Where the *regulated mortgage contract* is for a business purpose or a *high net worth mortgage customer*, a *firm* may choose to provide a *customer* with a *business offer document* or *high net worth offer document* (as applicable) instead of the *offer document* referred to in ■ MCOB 6.4.1 R.

(2) If a *firm* provides a *customer* with a *business offer document* or *high net worth offer document* in accordance with (1), it must ensure that:

(a)

an updated *business illustration* or *high net worth illustration* (as applicable), as required by ■ MCOB 5.7 (Business loans and loans to high net worth mortgage customers: tailored provisions), forms part of the *business offer document* or *high net worth offer document*; and

(b)

subject to the tailoring required by ■ MCOB 5.7 (Business loans and loans to high net worth mortgage customers: tailored provisions), the *business offer document* or *high net worth offer document* complies with ■ MCOB 6.4 (Mortgages: content of the offer document).
- 6.7.1A

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Firms are reminded that in accordance with ■ MCOB 1.2.3 R, they should comply in full with *MCOB*, but in doing so may opt to take account of all tailored provisions in *MCOB* that relate to business loans or loans to *high net worth mortgage customers* (as applicable). Therefore, a *firm* may only follow the tailored provisions in ■ MCOB 6.7 in relation to one of these sectors if it also follows all other tailored provisions in *MCOB* that relate to that sector. In either case, the rest of *MCOB* applies in full.
- 6.7.2

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■ MCOB 6.7.1 R (2) means, for example, that the required text in ■ MCOB 6.4.4 R (7) should be replaced by text that satisfies the requirements for *business illustrations* or *high net worth illustrations* in ■ MCOB 5.7.5 R
- 6.7.3

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A *firm* may supplement the first paragraph of text prescribed in ■ MCOB 6.4.4 R (5)(a) to clarify that, while the *regulated mortgage contract* is not binding until the relevant mortgage document has been signed and funds have been released, the *business offer document* or *high net worth offer document* may form part of a wider set of negotiated facilities and that the *customer* is separately bound by these.