

Chapter 7

Disclosure at start of contract
and after sale



7.1 Application

Who?

7.1.1 **R** Subject to **MCOB 7.1.2A R**, this chapter applies to a *firm* in a category listed in column (1) of the table in **MCOB 7.1.2 R** in accordance with column (2) of that table.

7.1.2 **R** This table belongs to **MCOB 7.1.1 R**

(1) Category of firm	(2) Applicable section
<i>mortgage lender</i>	whole chapter except MCOB 7.8
<i>mortgage administrator</i>	MCOB 7.1 - MCOB 7.3 and MCOB 7.5 - MCOB 7.7.
<i>mortgage adviser and mortgage arranger</i>	MCOB 7.1 - MCOB 7.3 and MCOB 7.6.7 R - MCOB 7.7.4 R
<i>home purchase provider</i>	MCOB 7.1.1 R to MCOB 7.1.4 R, MCOB 7.2, MCOB 7.3 and MCOB 7.8
<i>home purchase administrator</i>	As for a <i>home purchase provider</i> except MCOB 7.8.1 R and MCOB 7.8.2 G do not apply
<i>home purchase adviser and home purchase arranger</i>	MCOB 7.1.1 R to MCOB 7.1.4 R, MCOB 7.2 and MCOB 7.8.7 G
<i>reversion provider</i> <i>reversion administrator</i> <i>reversion adviser</i> <i>reversion arranger</i>	see MCOB 9.6 for the application of this chapter
<i>SRB administrator</i>	MCOB 7.9
<i>SRB agreement provider</i>	MCOB 7.1 to MCOB 7.3 and MCOB 7.9

7.1.2A **R** **MCOB 7.6.7 R** to **MCOB 7.6.17 R** do not apply to a *firm* that is an *MCD mortgage lender* or *MCD mortgage credit intermediary*.

7.1.2B **G** **MCOB 7B** applies to a *firm* that is an *MCD mortgage lender* or *MCD mortgage credit intermediary*, instead of **MCOB 7.6.7 R** to **MCOB 7.6.17 R**.

What?

- 7.1.3** **R** This chapter applies if a *firm*:
- (1) enters into a *home finance transaction* with a *customer*; or
 - (2) administers a *home finance transaction* which was entered into with a *customer*; or
 - (3) *arranges* or *advises on* or makes a further advance or other variation to the terms of a *home finance transaction* entered into with a *customer*.
- 7.1.4** **R** This chapter applies in relation to further advances and other variations (as specified in **■** MCOB 7.6.7 R - **■** MCOB 7.7.4 R in relation to a *regulated mortgage contract*) regardless of whether they are variations to an existing *home finance transaction* or are such that they involve the customer entering into a new *home finance transaction*.
- 7.1.5** **R** This chapter also applies in relation to *regulated mortgage contracts* in circumstances where the original *mortgage lender* has passed on ownership of the loan to a third party through *securitisation*. In such a case, the rules in **■** MCOB 7.5 - **■** MCOB 7.7.4 R will apply to the *firm* which administers the *regulated mortgage contract*.
- 7.1.6** **R** In **■** MCOB 7.6.7 R (Further advances), **■** MCOB 7.6.18 R (Rate switches) and **■** MCOB 7.6.22 R (Addition or removal of a party to the contract), if a *customer* submits an informal application as his first contact with a *firm*, the *illustration* required to be provided to a *customer* in accordance with those *rules* must be provided and the transaction must not proceed until the *customer* has made a formal application confirming that it should proceed.
- 7.1.7** **G** [deleted]
- 7.1.8** **R** In relation to a *lifetime mortgage*, this chapter is modified by **■** MCOB 9 (Equity release: product disclosure).