

Chapter 7

Disclosure at start of contract
and after sale

7.1Application

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 7.1.1R**

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