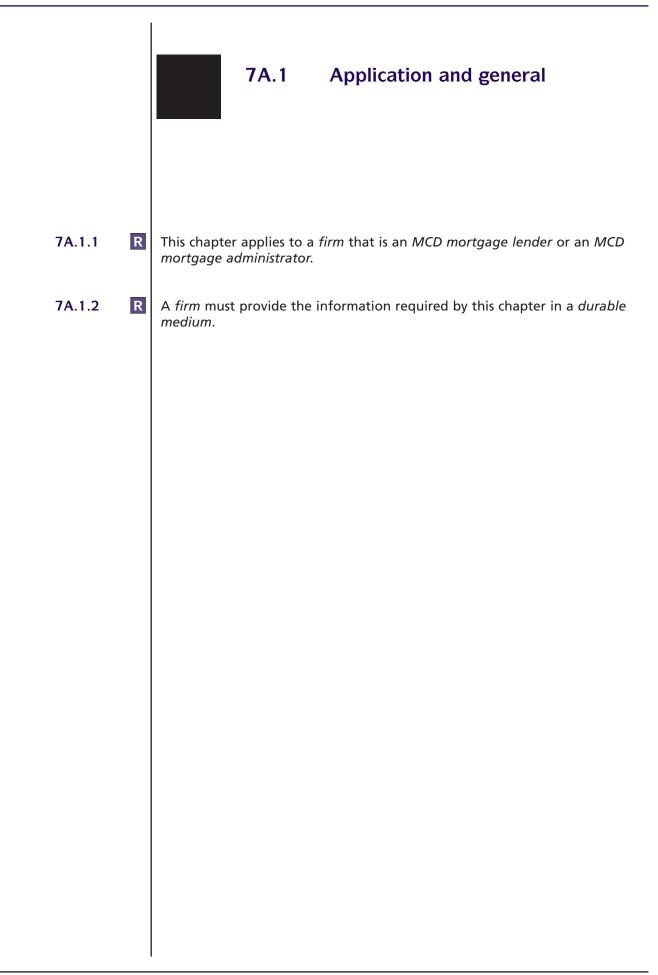
Mortgages and Home Finance: Conduct of Business Sourcebook

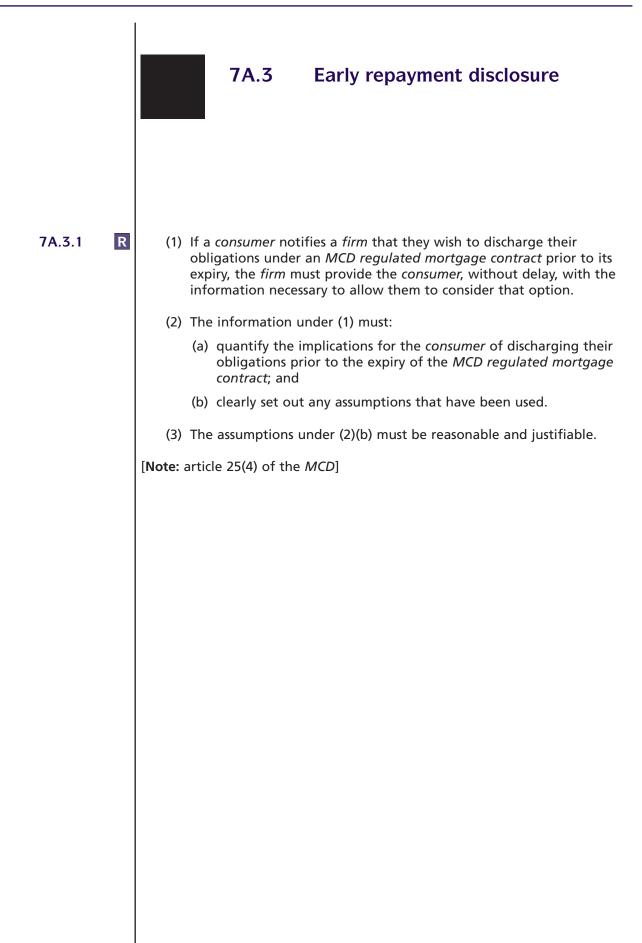
Chapter 7A

Additional MCD disclosure: start of contract and after sale



	7A.2 Notification of interest-rate changes
7A.2.1 R	 When giving notice to a <i>consumer</i> of any changes that the <i>consumer</i> is required to make resulting from interest-rate changes for an <i>MCD regulated mortgage contract, a firm</i> must: (1) give notice of the amount of the payments to be made after the new interest-rate change takes effect; and (2) where the number or frequency of the payments will change, give particulars of these changes. [Note: article 27(1) of the <i>MCD</i>]

MCOB 7A : Additional MCD disclosure: start of contract and after sale



		7A.4 Foreign currency loans and significant exchange-rate movement disclosure
7A.4.1	R	 (1) A firm must warn any consumer with a foreign currency loan, on a regular basis, where the value of either: (a) the total amount payable by the consumer which remains
		outstanding; or (b) the regular instalments;
		varies by more than 20% from what it would be if the exchange rate between the currency of the <i>MCD regulated mortgage contract</i> and the currency of the <i>EEA State</i> , applicable at the time of the conclusion of the <i>MCD regulated mortgage contract</i> , were applied.
		(2) The warning in (1) must inform the <i>consumer</i> of a rise in the <i>total</i> <i>amount payable</i> by the <i>consumer</i> , setting out the right to convert to an alternative currency, where applicable, and the conditions for doing so. It must also explain any other applicable mechanisms for limiting the exchange-rate risk to which the <i>consumer</i> is exposed.
		[Note: article 23(4) of the MCD]
7A.4.2	R	A <i>firm</i> must disclose to the <i>consumer</i> its arrangements for complying with the obligations in MCOB 7A.4.1 R in the <i>MCD regulated mortgage contract</i> . [Note: article 23(6) of the <i>MCD</i>]

	7A.5 Notification of changes resulting from auctions on the capital market
7A.5.1	 In relation to an <i>MCD regulated mortgage contract</i>, where there is an auction on the capital markets which will, or might reasonably be expected to, result in an interest-rate change, the <i>firm</i> must give the <i>consumer</i>, in good time before the auction, notice in a <i>durable medium</i> of: the upcoming procedure for the auction; and an indication of how the interest rates could be affected. [Note: article 27(4) of the <i>MCD</i>]