

## Chapter 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 *MCD regulated mortgage contract* and the currency of the *EEA State*, applicable at the time of the conclusion of the *MCD regulated mortgage contract*, were applied.
- (2) The warning in (1) must inform the *consumer* of a rise in the *total amount payable* by the *consumer*, 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 *consumer* is exposed.

[Note: article 23(4) of the *MCD*]

7A.4.2 R

A *firm* must disclose to the *consumer* its arrangements for complying with the obligations in ■ MCOB 7A.4.1 R in the *MCD regulated mortgage contract*.  
[Note: article 23(6) of the *MCD*]