

## Chapter 8

# Equity release: advising and selling standard

**8.1 Application**

**Who?**

**8.1.1** **R** This chapter applies to a *firm* in a category listed in column (1) of the table in **■ MCOB 8.1.2 R** in accordance with column (2) of that table.

**8.1.2** **R** This table belongs to **■ MCOB 8.1.1 R**

(1) Category of firm	(2) Applicable section
<i>equity release provider</i>	whole chapter except MCOB 8.5A and MCOB 8.7, MCOB 8.6A in accordance with MCOB 8.1.2A R
<i>equity release adviser</i>	whole chapter MCOB 8.7 does not apply in relation to a <i>lifetime mortgage</i>
<i>equity release arranger</i>	whole chapter except MCOB 8.5A. MCOB 8.7 does not apply in relation to a <i>lifetime mortgage</i>

**8.1.2A** **R** **■ MCOB 8.6A** only applies to an *equity release provider* in relation to entering into an *equity release transaction* where there is no *firm* which is arranging (bringing about) the *equity release transaction* to which **■ MCOB 8.6A** applies.

**8.1.2B** **G** **■ MCOB 8.1.2A R** means that the situations where **■ MCOB 8.6A** applies to an *equity release provider* include where an *equity release intermediary* has been involved in arranging (bringing about) an *equity release transaction* but is no longer involved in the transaction.

**What?**

**8.1.3** **R** (1) This chapter applies to a *firm* which in the course of carrying on an *equity release activity* enters into, advises on or *arranges* an *equity release transaction* or a variation of the terms of an *equity release transaction*.

(2) In respect of *arranging* or *advising on a home reversion plan* for a *customer* who is acting in his capacity as an *unauthorised reversion provider*, only **■ MCOB 8.1**, **■ MCOB 8.2** and **■ MCOB 8.7** apply.

**8.1.4** **R** (1) Initial disclosure requirements apply only in relation to varying the terms of an *equity release transaction* entered into by the *customer* in any of the following ways:

- (a) adding or removing a party;
- (b) taking out a further advance; or
- (c) switching all or part of the *lifetime mortgage* from one interest rate to another.

(2) Otherwise, this chapter applies in relation to any form of variation of an *equity release transaction*.

**8.1.5** **G** [deleted]

**8.1.6** **G** *Firms are reminded that MCD lifetime mortgages are also subject to the advising and selling standards in ■ MCOB 4.4A and ■ MCOB 4A that apply to MCD regulated mortgage contracts.*