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DRAFT STATUTORY INSTRUMENTS

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**2015 No.**

**FINANCIAL SERVICES AND MARKETS**

**The Mortgage Credit Directive Order 2015**

*Made* - - - - *\*\*\**

*Coming into force in accordance with article 1*

**THE MORTGAGE CREDIT DIRECTIVE ORDER 2015**

PART 1

1. Citation and commencement
2. Interpretation

PART 2

3. Amendments to legislation

PART 3

4. Interpretation of this Part
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7. Limitation on permission to carry on regulated activities
8. Register of consumer buy-to-let mortgage firms
9. Applications for entry on the register or variation of an existing entry on the register
10. Determination of applications
11. Procedure when refusing an application
12. Registered consumer buy-to-let mortgage firm ceasing to meet the requirements for registration
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14. Procedure on revocation
15. Suspension of registration
16. Procedure on suspension
17. Appointed representatives
18. Obligations of registered consumer buy-to-let mortgage firms
19. Power to direct registered consumer buy-to-let mortgage firms to take appropriate action

20. Functions of the FCA in relation to this Part
21. Monitoring and enforcement
22. Guidance
23. Application of provisions of the Act to registered consumer-buy-to-let mortgage firms
24. Application of procedural provisions of the Act
25. Application of provisions of the Act to the FCA in respect of its supervision of consumer buy-to-let mortgage firms
26. Extension of the compulsory jurisdiction of the Financial Ombudsman Scheme to registered consumer buy-to-let mortgage firms

#### PART 4

27. Transitional provision: person with Part 4A permission to carry on an activity in relation to a regulated mortgage contract before 21st March 2016
28. Transitional provision: agreements before 21st March 2016
29. Transitional provision: consumer credit back book mortgage contracts
30. Transitional provision: person engaged in consumer buy-to-let mortgage business before 20th March 2014
31. Transitional provision: person subject to the Consumer Credit Act 1974 who chooses to adopt new rules before 21st March 2016
32. FCA power to direct timing of applications for permission and registration

#### PART 5

33. Review  
Signature

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### SCHEDULE 1 — Amendments to legislation

#### PART 1 — Amendments to primary legislation

1. The Financial Services and Markets Act 2000
2. The Consumer Credit Act 1974

#### PART 2 — Amendments to secondary legislation

3. The Consumer Credit (Agreements) Regulations 1983
4. The Financial Services and Markets (Regulated Activities) Order 2001
5. The Financial Services and Markets Act 2000 (Exemption) Order 2001
6. The Financial Services and Markets Act 2000 (Compensation Scheme: Electing Participants) Regulations 2001
7. The Financial Services and Markets Act 2000 (Appointed Representatives) Regulations 2001
8. The Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001
9. The Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001
10. The Financial Services and Markets Act 2000 (Gibraltar) Order 2001
11. The Consumer Credit (Disclosure of Information) Regulations 2004
12. The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
13. The Consumer Credit (Disclosure of Information) Regulations 2010
14. The Consumer Credit (Agreements) Regulations 2010

15. The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013

SCHEDULE 2 — Requirements for registered consumer buy-to-let mortgage firms

*Conditions applicable to creditors and credit intermediaries*

1. Conduct of business obligations when providing consumer buy-to-let mortgage products to consumers
2. Obligation to provide information free of charge to consumers
3. Knowledge and competence requirements for staff

*Information and practices preliminary to the conclusion of the consumer buy-to-let mortgage contract*

4. Tying and bundling practices
5. General information
6. Pre-contractual information
7. Information requirements concerning credit intermediaries
8. Adequate explanations

*Annual percentage rate of charge*

9. Calculation of the annual percentage rate of charge

*Creditworthiness assessment*

10. Obligation to assess the creditworthiness of the borrower
11. Property valuation
12. Disclosure and verification of borrower information

*Advisory services*

13. Standards for advisory services

*Foreign currency loans and variable rate loans*

14. Foreign currency loans
15. Variable rate credits

*Sound execution of consumer buy-to-let mortgage contracts and related rights*

16. Early repayment
17. Flexible and reliable markets
18. Information concerning changes in the borrowing rate
19. Arrears and possession

*Calculation of the annual percentage rate of charge*

20. Basic equation expressing the equivalence of drawdowns on the one hand and repayments and charges on the other
21. Additional assumptions for the calculation of the annual percentage rate of charge

Explanatory Note