
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 82(2A) of the Consumer Credit Act 1974. Section 82 deals with the variation of agreements and subsection (2) makes provision for the treatment of agreements which have been varied for the purposes of the Consumer Credit Act 1974. Subsection (2A) provides that subsection (2) does not apply in certain circumstances. The circumstances are where the modifying agreement is an agreement secured by land mortgage or an agreement which is (or forms part of) a regulated home purchase plan, and where entering into the agreement as lender or home purchase provider is a regulated activity for the purposes of the Financial Services and Markets Act 2000. These types of agreements are exempt under section 16(6C) of the Consumer Credit Act 1974. The amendment to section 82(2A) provides that subsection (2) also does not apply where the earlier agreement which is being modified is exempt from the application of the Consumer Credit Act 1974 under section 16(6C).

A full regulatory impact assessment of the effect that this instrument will have on the costs of business is available from the Correspondence and Enquiry Unit at HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and is annexed to the Explanatory Memorandum which is available alongside the instrument on the OPSI website.