

MMR planning tool

Mortgage Intermediaries

Why start planning now?

It might seem like a long time to 26 April 2014, but the key to successful implementation is to start planning now. We will help by keeping you up to date in the run up, but it is important you put plans in place as soon as you can.

In the second quarter of 2013 we will start to track your progress. The results will help us monitor how prepared the industry is and inform further communications, so please be open and honest with us.

To track progress, we will send all regulated mortgage firms online surveys to complete during the implementation period. When completing the surveys you will be given the opportunity to specify any areas where you would like further information.

By the time you complete the first survey we don't expect you to be ready for implementation but you should have started drafting your implementation plan. We suggest you finalise your plans no later than the middle of the year to give your firm time to implement the changes.

How to start planning?

This planning tool may help with your planning. We have not covered every detail of the rules but we have flagged key areas of change that may affect your firm. You can use it (or something similar) to set out your actions. You will need to refer to the rules, but the MCOB references in this document should help you. Not all of the areas covered will apply to all firms (e.g. you may choose not to transact execution-only business).

You can find the new rules at the back of our Policy Statement, PS12/16: www.fsa.gov.uk/static/pubs/policy/ps12-16.pdf

Mainstream mortgage intermediaries – those with permission to arrange or advise on regulated mortgage contracts.

Distribution and disclosure

Have you made a plan for how you will:

	If no, when will this plan be documented?	If yes, who has been allocated responsibility for implementation?	Key actions	Action completion (target date)	Action completion (actual date)
make the correct initial disclosures to customers at the correct times? 4.4A.1R – 4.4A23G					
make customers aware of when they can request a KFI? 5.4.18AR – 5.4.18B					
give a written record of advice when you do not need to give a KFI for a direct deal? 5.5.1B R					
assess the appropriateness of rolling-up fees (and recording positive elections)? 4.7A.6R(9) & 4.6A2R					
make customers aware they will need to demonstrate that they will have in place a clearly understood and credible repayment strategy for interest-only mortgages? 4.7A.9R					
monitor your adviser's compliance with oral or written disclosure regarding the potential availability of a further advance? 4.7A17R					
monitor your adviser's explanations that their assessment of appropriateness is based on the customer's current circumstances and reasonably foreseeable changes to those? 4.7A.19 R					
ensure your sellers are competent and qualified or under appropriate supervision by 26 April 2014? TC 2.1					

Distribution and disclosure (execution-only sales)

Have you made a plan for how you will:

	If no, when will this plan be documented?	If yes, who has been allocated responsibility for implementation?	Key actions	Action completion (target date)	Action completion (actual date)
manage execution-only sales? 4.8A.17R					
ensure customers are not encouraged to opt out of receiving advice? 4.8A.5R					
transact and monitor rate switches and other variations without advice? 4.8A10R					
ensure the customer specifies minimum information for the contract he wishes to purchase (e.g. rate of interest) via execution-only and the seller records this? 4.8A.14R 1-3					
inform the customer, clearly, prominently, and in a durable medium (and orally if applicable), that the firm is not required to assess suitability and the customer will not benefit from the protection of the rules (in 4.7A)? 4.8A.14R 4/4.8A.16G					
obtain written confirmation from the customer regarding loss of protections and is making a positive election to proceed with an execution-only sale? 4.8A.14R 5					
follow the record keeping requirements for execution-only sales? 4.8A18R					

Notes

A series of horizontal dotted lines for taking notes.