

**PRA RULEBOOK: REGULATORY REPORTING (MORTGAGE REPORTING) AMENDMENT
INSTRUMENT 2019**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules); AND
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: Regulatory Reporting (Mortgage Reporting) Amendment Instrument 2019

- D. The PRA makes the rules in the Annexes to this instrument.

Part	Annex
Regulatory Reporting	A
Regulatory Reporting	B

Commencement

- E. Annex A comes into force on 1st October 2020. Annex B comes into force on 1st April 2021.

Citation

- F. This instrument may be cited as the PRA Rulebook: Regulatory Reporting (Mortgage Reporting) Amendment Instrument 2019.

By order of the Prudential Regulation Committee

5th September 2019

Annex A

Amendments to the Regulatory Reporting Part

In this Annex, unless otherwise indicated, new text is underlined and deleted text is struck through.

Part

REGULATORY REPORTING

Chapter content

11 REGULATED ACTIVITY GROUP 5

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11.2

...

- (1) When submitting the completed *data item* required, a *firm* must use the format of the ~~data item~~ *data item* set out in **Chapter 1816**.

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16 DATA ITEMS AND OTHER FORMS

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- 16.21 MLAR can be found ~~here~~ [here](#).

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Annex B

Amendments to the Regulatory Reporting Part

In this Annex, unless otherwise indicated, new text is underlined and deleted text is struck through.

Part

REGULATORY REPORTING

Chapter content

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23. REGULATORY MORTGAGE CONTRACT REPORTING

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1 APPLICATION AND DEFINITIONS

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1.2

...

contractual reversion rate

means the interest rate on a regulated mortgage contract to which the interest rate which applies at the date of the mortgage transaction will change at the end of any initial incentive or fixed rate period.

...

further advance

means a further loan to an existing borrower of the firm and which is secured on the same property, whether under a new mortgage contract or by variation to an existing mortgage contract, including a loan secured by a second or subsequent charge where the firm has the benefit of the first charge (or other charge ranking in priority to that on which the further advance is secured).

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regulated mortgage contract

means the investment specified in Article 61(3)(a) of the Regulated Activities Order.

...

second charge regulated mortgage contract

means a regulated mortgage contract which is not a legal mortgage ranking in priority ahead of all other mortgages (if any) affecting the property in question, where 'mortgage' includes charge and (in Scotland) a heritable security.

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2 REPORTING REQUIREMENTS – DATA ITEMS

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2.11 A firm permitted to carry on the regulated activity of entering into a regulated mortgage contract, except an incoming EEA firm with permission for cross border services only, must also submit data items as required by Chapter 23.

...

23 REGULATORY MORTGAGE CONTRACT REPORTING

Application

23.1 This Chapter applies to every *firm* permitted to carry on the *regulated activity of entering into a regulated mortgage contract*, except an *incoming EEA firm with permission for cross border services only*.

Reporting Requirement

23.2 If a *firm* makes a *further advance* under a *regulated mortgage contract*, the *firm* must submit to the *FCA* a 'sales data report' within the meaning of SUP 16.11 of the *FCA Handbook* which contains the *data elements* set out in SUP 16 Annex 21 of the *FCA Handbook*.

23.3 If a *firm* makes an advance under a *regulated mortgage contract* which is not a *second charge regulated mortgage contract*, the *firm* must submit the *data elements* specified in 23.6 to the *FCA* as part of a 'sales data report' under SUP 16.11 of the *FCA Handbook*.

23.4 If a *firm* makes an advance under a *second charge regulated mortgage contract* the *firm* must submit the *data elements* specified in 23.7 to the *FCA* as part of a 'sales data report' under SUP 16.11 of the *FCA Handbook*.

23.5 (1) A *firm* may appoint another person to submit the 'sales data report' under 23.2 or the *data elements* under 23.3 or 23.4 on the *firm's* behalf if the *firm* has informed the *PRA* and the *FCA* of that appointment in writing.

(2) Where (1) applies, the *firm* must ensure that the submission complies with the requirements of this Chapter and identifies the originator of the transaction.

Data Elements

23.6 The *data elements* referred to in 23.3 are:

- (1) the total amount owed by the borrower to the *firm* and secured on the same property immediately prior to the new borrowing– this *data element* is not limited to amounts secured by *regulated mortgage contracts*, but includes any borrowing secured on the property;
- (2) if a stress test was undertaken, the interest rate to which stress was applied in order to produce a stress-tested interest rate; and
- (3) if a stress test was undertaken and the *contractual reversion rate* is different from the rate reported in (2), the *contractual reversion rate* specified in the *regulated mortgage contract*.

23.7 The *data elements* referred to in 23.4 are:

- (1) the total amount owed by the borrower to the *firm* and secured on the same property immediately prior to the new borrowing– this *data element* is not limited to amounts secured by *regulated mortgage contracts*, but includes any borrowing secured on the property;
- (2) the total amount owed by the borrower to third parties secured on the property;
- (3) if a stress test was undertaken, the interest rate to which stress was applied in order to produce a stress-tested interest rate; and
- (4) if a stress test was undertaken and the *contractual reversion rate* is different from the rate reported in (3), the *contractual reversion rate* specified in the *second charge regulated mortgage contract*.

Mode of Reporting

23.8 A firm must submit the 'sales data report' required by 23.2 and the *data elements* required by 23.3 and 23.4 in accordance with the procedure and format for a 'sales data report' set out in SUP 16.11 of the *FCA Handbook*.