

SCHEDULE 1

Amendments to legislation

PART 2

Amendments to secondary legislation

The Financial Services and Markets Act 2000 (Exemption) Order 2001

5.—(1) Paragraph 48 of the Schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001 ^{F1} is amended as follows.

(2) For sub-paragraph (1)(b) substitute “ article 25A(1)(b) and (2) of that Order (arranging a regulated mortgage contract); ”.

(3) After sub-paragraph (1) insert—

“(1A) A relevant housing body is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 25A(1)(a) or (2A), 53A or 61 of that Order (arranging, advising on, entering into or administering a regulated mortgage contract) in so far as the contract—

- (a) is of a kind to which the mortgages directive does not apply by virtue of Article 3(2) of that directive;
- (b) is a bridging loan; or
- (c) is a restricted public loan in relation to which the requirements of sub-paragraph (1B) are met.

(1B) The requirements of this sub-paragraph are that—

- (a) the borrower receives timely information on the main features, risks and costs of the loan at the pre-contractual stage; and
- (b) any advertising of the loan is fair, clear and not misleading.”.

(4) In sub-paragraph (2)—

- (a) omit paragraphs (d) (Scottish Homes) and (f) (Communities Scotland);
- (b) after paragraph (g) insert—

- “(h) except for the purposes of sub-paragraph (1)(a), the Scottish Ministers;
- (i) except for the purposes of sub-paragraph (1)(a), the Welsh Ministers.”.

(5) After sub-paragraph (2) insert—

“(3) Except for the purposes of sub-paragraph (1)(a), “relevant housing body” also includes a wholly-owned subsidiary of a body listed in sub-paragraph (2)(a), (aa), (b), (ca), (h) or (i).

(4) In this paragraph—

“bridging loan” has the meaning given by Article 4(23) of the mortgages directive;

“borrower” means a person receiving credit;

“credit” includes a cash loan and any other form of financial accommodation;

“restricted public loan” means credit that is—

- (a) offered to a particular class of borrower and not offered to the public generally;
- (b) offered under an enactment with a general interest purpose; and

Changes to legislation: The Mortgage Credit Directive Order 2015, Paragraph 5 is up to date with all changes known to be in force on or before 08 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (c) provided on terms which are more favourable to the borrower than those prevailing on the market, because it meets one of the following conditions—
 - (i) it is interest free;
 - (ii) the rate of interest is lower than that prevailing on the market; or
 - (iii) the rate of interest is no higher than that prevailing on the market but the other terms on which credit is provided are more favourable to the borrower; and

“wholly-owned subsidiary” has the same meaning as in section 1159 (meaning of “subsidiary” etc.) of the Companies Act 2006 and, for the purposes of this definition, a relevant housing body is to be treated as a body corporate.”.

F1 [S.I. 2001/1201](#). Paragraph 48 of the Schedule was substituted by [S.I. 2003/1675](#) and subsequently amended by [S.I. 2005/592](#), 2006/2383, 2008/2831, 2009/1342, 2010/671, 2011/1626 and 2012/641 and 700.

Changes to legislation:

The Mortgage Credit Directive Order 2015, Paragraph 5 is up to date with all changes known to be in force on or before 08 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

- Order revoked by [2023 c. 29 Sch. 1 Pt. 2](#)