



CENTRAL BANK &  
FINANCIAL SERVICES  
AUTHORITY OF IRELAND

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EUROSYSTEM

**Review of Code of Conduct on Mortgage  
Arrears**

**Consultation Paper CP 46**

**August 2010**

# **Consultation Paper on Review of Code of Conduct on Mortgage Arrears**

## **Introduction**

The Code of Conduct on Mortgage Arrears (CCMA) was introduced on 27 February 2009. It replaced the voluntary Code of Practice on Mortgage Arrears issued by the Irish Banking Federation and built on the provisions contained in that code. The CCMA applies to all regulated mortgage lenders, except credit unions. The main provisions include communicating promptly and clearly with the borrower as soon as an arrears situation develops, handling genuine arrears cases positively and sympathetically, and exploring various alternative repayment measures with the borrower. When the CCMA was introduced, it contained a requirement that mortgage lenders could only apply to the courts to commence enforcement of legal action for repossession of a borrower's primary residence six months from the time arrears first arose.

Following a short consultation period, the CCMA was amended with effect from 17 February 2010 to require lenders to wait at least twelve months from the time arrears first arise before applying to the courts to commence enforcement of any legal action on repossession of a borrower's primary residence.

The Mortgage Arrears and Personal Debt Expert Group, established by the Government in February 2010, issued its Interim Report on 5 July 2010. The Report sets out a recommended process for dealing with mortgage arrears and makes specific recommendations in relation to the CCMA. We have reviewed the CCMA in light of these recommendations and we have also taken account of issues that have arisen since its implementation. We now propose a number of amendments, which are included in the attached revised CCMA.

## **Your views**

We are seeking views on the proposed amendments to the CCMA. In addition, we would like your views on the following specific issues:

## ▪ **Level of communication**

There have been reports that the level of contact by some lenders with borrowers in arrears is excessive. In order to address this issue, we intend to limit the number of times a lender may contact a borrower. We are proposing that, each calendar month, lenders would only be permitted three unsolicited communications with borrowers in respect of their arrears situation. The three unsolicited communications do not include any communications required under the CCMA. We would like views in relation to acceptable levels of communication and whether the level suggested is appropriate.

## ▪ **Arrears**

Under the CCMA, a mortgage arrears situation arises as soon as the borrower fails to make a full mortgage repayment, or only makes a partial mortgage repayment, by the due date. We are aware that lenders have employed different practices when considering what constitutes arrears. The following are some examples:

- the date the first direct debit on the account was missed;
- the date the second and final direct debit on the account was missed;
- the month that a direct debit was missed;
- the month that the unpaid payment was due;
- in the case of partial payments, when missed payments amount to one month's full payment.

We are seeking views on the most appropriate definition of arrears for the purposes of the CCMA. When considering this issue, please bear in mind that the same definition will be used to compile the Quarterly Report on Residential Mortgage Arrears and Repossessions. Please set out your preferred definition and the reasons why you believe it to be appropriate.

## ▪ **Primary residence**

A number of terms have been used to describe the property to be protected by the provisions of the CCMA. In the CCMA itself, the terms 'principal private residence' and 'primary residence' are used. The Mortgage Arrears and Personal Debt Expert Group, in its Interim Report, uses the terms 'principal private residence', 'home' and 'family home'. In addition, for mortgage interest supplement purposes, the term used is 'sole place of residence'.

Some uncertainties have been highlighted in relation to the current wording of the CCMA. The aim of the CCMA is to assist borrowers in arrears with the mortgage on their home. However, individual circumstances and what constitutes an individual's home may vary and, therefore, the scope and definitions of the CCMA should be able to accommodate different situations. It is necessary to consider the property to be protected, the type of mortgage on that property, and the individual circumstances of the borrower. Some examples of individual situations have been drawn to our attention:

- The borrower temporarily moves out of the property and lets it to a tenant in order to generate income to help meet the mortgage repayments. The borrower may move back in with parents, into rented accommodation or into an investment property he/she owns. If mortgage arrears arise on the property let to the tenant, should the protections of the CCMA apply? If mortgage arrears also subsequently arise on the investment property in which the borrower is now residing, should the protections of the CCMA apply only to the original property that the borrower moved out of, the investment property in which the borrower currently resides or both properties?
- The borrower lets the property on a short-term rental while on a temporary foreign assignment. The tenant is in default and the Private Residential Tenancies Board dispute resolution process is ongoing. If mortgage arrears arise as a result or partly as a result of this situation, should the protections of the CCMA apply?
- A couple holding a joint mortgage separates and one borrower moves into an investment property or holiday home they own, which also has a mortgage. As each property is now the home of one of the borrowers, should the CCMA apply to both properties?

In this context, we would welcome views on an appropriate definition of primary residence or other suitable term to describe the property to be protected under the CCMA. We would also welcome views on the following questions regarding the scope of the CCMA:

- Should it apply to borrowers who have mortgage arrears on their main residence/property, regardless of whether they are currently living there or not and regardless of the type of mortgage on that property?
- Should it apply to the property originally purchased as the borrower's principal private residence, regardless of whether the borrower is currently living there or not?

- Should it apply to the mortgaged property in which the borrower is living now, regardless of what type of mortgage was originally taken out on the property or the original purpose of that property, e.g., the property may originally have been an investment property?
- Is it the type of mortgage taken out on the property originally that is relevant? If the original mortgage was classified as a commercial mortgage should the CCMA apply?

- **Appeals**

A borrower may appeal the decision of a lender regarding the approach to be taken to address the borrower's arrears situation. We have included a provision requiring lenders to establish an appeals process to consider any appeals submitted by borrowers and to independently review the decision of the lender in relation to an alternative arrangement. The appeal must be considered by one or more senior personnel who have not been involved in the borrower's case previously.

In addition, any complaint about the arrears resolution process or any of the other requirements of the Code must be handled in accordance with the Complaints Handling provisions of the Consumer Protection Code.

Where a complaint has not been resolved to the borrower's satisfaction, he/she may refer the matter to the Financial Services Ombudsman. However, under our current proposals, there is no mechanism for the borrower to appeal the lender's decision on an alternative arrangement to an independent external body. We would welcome your views on whether an external appeals mechanism is necessary and, if so, how this could be achieved.

## **Making Your Submission**

The closing date for submissions is 3 September 2010. We welcome comments from all interested parties. Please make your submissions in writing and, if possible, by e-mail (see details below).

When addressing any issue raised in this paper, please use the headings in this paper to identify the section you are referring to. If you are raising an issue that we have not referred to in this paper, please indicate this in your submission.

We intend to make submissions available on our website after the deadline for receiving submissions has passed. Because of this, please do not include commercially sensitive material in your submission, unless you consider it essential. If you do include such material, please highlight it clearly so that we may take reasonable steps to avoid publishing that material. This may involve publishing submissions with the sensitive material deleted and indicating the deletions.

Despite the approach outlined above, we make no guarantee not to publish any information that you deem confidential. So be aware that, unless you identify any commercially sensitive information, you are making a submission on the basis that you consent to us publishing it in full.

Please clearly mark your submission 'Code of Conduct on Mortgage Arrears' and send it to:

Consumer Protection Codes Department  
Financial Regulator  
PO Box 9138  
6 – 8 College Green  
Dublin 2

E-mail: [code@financialregulator.ie](mailto:code@financialregulator.ie)



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EUROSYSTEM

**Code of Conduct**

**on**

**Mortgage Arrears**

# CHAPTER 1

## SCOPE AND DEFINITIONS

### INTRODUCTION

This Code sets out a framework within which mortgage lenders (referred to in this document as “lenders”) must operate, with due regard to the fact that each lender adopts a different competitive approach to mortgage lending and each case of mortgage arrears is unique and needs to be treated differently. This Code sets out what the lender must do when dealing with borrowers in mortgage arrears or at risk of going into arrears. All genuine cases, where the borrower is dealing honestly and fairly with the lender, must be handled sympathetically and positively by the lender, with the objective at all times of assisting the borrower to meet his/her obligations. Any measures should, in so far as it is feasible and appropriate, be aimed at assisting borrowers to meet their mortgage obligations.

The lender may enforce the mortgage in circumstances where application of this Code is not appropriate, such as, but not limited to, in the case of fraud or breach of contract other than the existence of arrears.

This Code does not relieve the borrower of his/her contractual duties to the lender, except where otherwise agreed by the lender.

In order to address a mortgage arrears situation it is important that the borrower and the lender act in good faith at all times. It is also important that the borrower promptly advise the lender of any problems or potential problems with mortgage repayments. This Code recognises that it is in the interests of both the lender and the borrower to address financial difficulties as speedily and as effectively as circumstances allow.

This Code is effective from xx xxxxxx xxxx.

### LEGISLATIVE BASIS

This Code is issued under Section 117 of the Central Bank Act 1989.

The Financial Regulator has the power to administer sanctions for a contravention of this Code, under Part IIIC of the Central Bank Act 1942.

Lenders are reminded that they are required to comply with this Code as a matter of law.

This Code should be read as one with the Financial Regulator’s Consumer Protection Code. All terms appearing in this Code of Conduct shall have the same meaning as in the Consumer Protection Code.



## TO WHOM THIS CODE APPLIES

This Code applies to the mortgage lending activities of all regulated entities, except credit unions, operating in the State, including:

- a financial services provider authorised, registered or licensed by the Financial Regulator; and
- a financial services provider authorised, registered or licensed in another EU or EEA Member State and which has provided or is providing mortgage lending activities in the State.

This Code applies to the mortgage loan of a borrower which is secured by the residential property which is or will be, occupied by the borrower as his/her primary residence in this State.

## DEFINITIONS

The following are defined for the purposes of this Code:

**Arrears:** A mortgage arrears situation arises as soon as the borrower fails to make a full mortgage repayment, or only makes a partial mortgage repayment, by the due date.

**Repossession:** means any situation where a lender takes possession of a property either by way of voluntary agreement with the borrower, through abandonment of the property by the borrower without notifying the lender, or by Court Order.

**Borrower:** includes all parties named on the mortgage loan account.

**Standard Financial Statement:** a standard format agreed by the Financial Regulator, the Irish Banking Federation and the Money Advice and Budgeting Service (MABS) for the purpose of obtaining financial information from borrowers in arrears or at risk of going into arrears.

## CHAPTER 2

### PROVISIONS

#### GENERAL

1. A lender must ensure that it has in place a Mortgage Arrears Resolution Process (MARP) as a framework for handling **arrears** and pre-arrears cases. The MARP must incorporate the steps set out in this Code, i.e.,
  - Step 1, Communication with **borrowers**
  - Step 2, Financial information
  - Step 3, Assessment
  - Step 4, Resolution
  - Step 5, Appeals.
2. A lender must establish a centralised and dedicated Arrears Support Unit (ASU), which must be adequately staffed, to manage **arrears** and pre-arrears cases under the MARP. **Arrears** cases and pre-arrears cases may be managed in two separate ASUs.
3. Each branch must have at least one person with specific responsibility for dealing with **arrears** and pre-arrears cases and for liaising with the lender's ASU in respect of these cases.
4. A lender must draw up and implement procedures for dealing with **borrowers** in mortgage **arrears** or at risk of mortgage **arrears**. Such procedures must:
  - a) allow for a flexible approach in the handling of **arrears** and pre-arrears cases;
  - b) be aimed at assisting the **borrower** as far as possible in his/her particular circumstances;
  - c) set out the how the lender will implement the five steps of the MARP; and
  - d) set out how the ASU will assess cases referred to it, including the types of alternative repayment measures or any other relief method that may be offered to **borrowers** by the lender.
5. A lender must have in place management information systems to capture information on the handling of mortgage **arrears** and pre-arrears cases, including any alternative repayment arrangements agreed with **borrowers**.
6. A lender must provide appropriate training for frontline staff dealing with **borrowers** experiencing, or at risk of, financial difficulties. All other frontline staff must be made aware of the lender's policy for dealing with **arrears** and pre-arrears situations and the relevant contact persons and process.
7. A lender must assist **borrowers** by ensuring that all requests from **borrowers** for documentation and information required for the purposes of applying for State supports are processed within ten working days of receipt of the request.

#### PROVISION OF INFORMATION

8. A lender must ensure that all communications about **arrears** and pre-arrears and all information relating to a lender's handling of **arrears** and pre-arrears cases must be presented

to the **borrower** in a clear and consumer friendly manner. The language used in communications must indicate a willingness to work with the **borrower** to address the situation and must be in plain English so that it is easily understood. Legal jargon must be avoided, where possible.

9. A lender must ensure that all meetings with **borrowers** in relation to mortgage **arrears** or pre-arrears are conducted with utmost privacy.
10. A lender must notify all affected **borrowers** in writing in advance of implementing an increase in the interest rate applied to their mortgage loan account, and must advise the **borrower** to contact the lender if he/she anticipates difficulties meeting the higher repayments.
11. In all correspondence in relation to an existing mortgage, a lender must make the appropriate point of contact for dealing with **arrears** and pre-arrears clear to the **borrower** – whether that is at a branch or Head Office.
12. A lender must prepare and make available to **borrowers** an information booklet providing details of its MARP, which must be drafted in accordance with the requirements set out in paragraph 8 and must include:
  - a) an explanation of its MARP, including the alternative repayment measures available to **borrowers** and the lender's criteria for assessing requests for alternative repayment measures;
  - b) a statement that the **borrower** will not be required to change from an existing tracker mortgage to another mortgage type;
  - c) information about the potential availability of State supports such as mortgage interest relief or mortgage interest supplement;
  - d) relevant contact points (i.e., the dedicated **arrears** contact points not the general customer service contact points); and
  - e) reference to the Citizens Information Board (CIB)/Money Advice and Budgeting Services (MABS) web-site, [www.keepingyourhome.ie](http://www.keepingyourhome.ie).
13. A lender must have a dedicated section on its website for **borrowers** in or concerned about financial difficulties which must include:
  - a) the information booklet required under provision 12;
  - b) information on the level of charges to be imposed on **borrowers** that do not co-operate reasonably and honestly with the lender<sup>1</sup>; and
  - c) a link to the CIB/MABS web-site, [www.keepingyourhome.ie](http://www.keepingyourhome.ie).

The information on the web-site must be easily accessible from a prominent link on the home page.

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<sup>1</sup> A review of charges in relation to arrears approved under Section 149 of the Consumer Credit Act 1995 is currently being carried out. It is intended that charges will not be permitted to be imposed on borrowers who co-operate reasonably and honestly with the lender in the MARP.

## PRE-ARREARS SITUATIONS

14. Where a lender is contacted by a **borrower** who anticipates falling into **arrears** on his/her mortgage, the lender must discuss its MARP with the **borrower**, including the alternative repayment measures available, to assist him/her to avoid an **arrears** situation.
15. A lender must pro-actively carry out regular assessments of existing mortgage customers, at least every six months, with a view to identifying those suffering or anticipated to suffer financial stress.
16. A lender must attempt to engage with **borrowers** whom it considers to be at risk of going into **arrears**. At a minimum, a lender must ensure that it sends a periodic mailing, at least every six months, to all mortgage holders it believes to be at risk of going into **arrears**, setting out options for dealing with financial distress and encouraging early action by the **borrower(s)**.

## MORTGAGE ARREARS RESOLUTION PROCESS

### *Step 1, Communication with Borrowers*

17. A lender must pro-actively encourage **borrowers** to engage with their lender about an **arrears** situation.
18. A lender must ensure that the level of contact and communications from the lender, or any third party acting on its behalf, is proportionate and not excessive.
19. Each calendar month, a lender, and/or any third party acting on its behalf, may not initiate more than three unsolicited communications, by whatever means, to a **borrower** in respect of his/her mortgage **arrears** situation. The three unsolicited communications do not include any communications to the **borrower** which are required by this Code.
20. When a mortgage account goes into **arrears**, the lender must:
  - a) inform each **borrower** in writing of the status of the account as soon as possible, and provide the following information:
    - i) the date the mortgage fell into **arrears**;
    - ii) the number and total amount of payments (including partial payments) missed;
    - iii) the amount of the **arrears** to date;
    - iv) details of any fees and charges in relation to the **arrears** that may be applied if the **borrower** does not co-operate reasonably and honestly with the lender;
    - v) the importance of the **borrower** engaging with the lender in order to address the situation and informing the lender of the reason(s) the repayment schedule has not been adhered to;
    - vi) a statement that fees and charges in relation to the **arrears** will not apply as long as the **borrower** co-operates reasonably and honestly with the lender; and
    - vii) a general statement about the impact of missed mortgage repayments and **repossession** on the **borrower's** credit rating.
  - b) provide the information booklet required under provision 12.

21. An updated version of the information specified in provision 20(a) must be provided to **borrowers** in all subsequent correspondence issued in relation to their mortgage **arrears**.
22. When a third full or partial payment is missed and remains outstanding, the lender must advise the **borrower**, in writing, of the following:
  - a) the potential for legal proceedings and loss of his/her property, together with an estimate of the costs to the **borrower** of such proceedings;
  - b) the importance of taking independent advice from his/her local Money Advice and Budgeting Service (MABS) or an appropriate alternative;
  - c) that irrespective of how the property is repossessed and disposed of, the **borrower** will remain liable for the outstanding debt, including any accrued interest, charges, legal, selling and other related costs, if this is the case.
23. Where the **borrower** has not responded to the lender's correspondence in relation to the **arrears**, the lender must continue in its endeavours to make contact with the **borrower**.
24. A lender must inform the **borrower**, in writing, when it intends to appoint a third party, other than its legal advisers, to engage with the **borrower** in relation to **arrears** and must explain the role of the third party.

### **Step 2, Financial Information**

25. A lender must use the **Standard Financial Statement** (SFS) to obtain financial information from a **borrower** in **arrears** or at risk of going into **arrears**.
26. When a lender is first contacted by a **borrower** in **arrears** or at risk of going into **arrears**, the lender must:
  - a) explain the MARP process to the **borrower**, including the alternative repayment measures available to **borrowers** and the lender's criteria for assessing requests for alternative repayment measures;
  - b) provide the **borrower** with an SFS to complete;
  - c) provide the **borrower** with a copy of the MARP information booklet; and
  - d) advise the **borrower** that he/she may wish to seek independent advice to assist with completing the SFS, e.g., from MABS or an appropriate alternative.
27. The lender must pass the completed SFS to its ASU.
28. The lender may require the **borrower** to provide supporting documentation to corroborate the information provided in the SFS.

### **Step 3, Assessment**

29. A lender may distinguish between **borrowers** who are genuinely unable to pay and those who could pay some/all of the **arrears** but will not.
30. The SFS must be assessed by the lender's ASU.
31. A lender's ASU must examine each case on its individual merits.

32. A lender's ASU must base its assessment of the **borrower's** case on the full circumstances of the **borrower** including:
- a) the personal circumstances of the **borrower**;
  - b) the overall indebtedness of the **borrower**;
  - c) the information provided in the SFS;
  - d) the **borrower's** current repayment capacity; and
  - e) the **borrower's** previous payment history.

#### **Step 4, Resolution**

33. The lender must explore all viable options with the **borrower**. At a minimum, one or more of the following alternative repayment measures must be examined:
- a) An interest-only arrangement for a specified period.
  - b) An arrangement to pay interest and part of the normal capital element for a specified period.
  - c) Deferring payment of all or part of the instalment repayment for a period where, for example, there is a temporary shortfall of income.
  - d) Extending the term of the mortgage, where this could make a significant difference to the monthly repayments.
  - e) Changing the type of the mortgage if this could give rise to a reduction in the level of monthly mortgage outgoings (i.e., mortgage and related assurance payments).
  - f) Capitalising the **arrears** and interest where there is insufficient capacity over the short term to clear the **arrears** but where repayment capacity exists to repay the capitalised balance over the remaining term of the mortgage.

The appropriateness of these measures must be determined by the factors of each individual case. The **borrower** must be advised to take appropriate independent legal and/or financial advice.

34. The lender must not require the **borrower** to change from an existing tracker mortgage to another mortgage type.
35. In the case of **arrears** on a tracker mortgage, where an alternative repayment arrangement includes a fixed interest period, the **borrower** must be permitted to revert to the original tracker rate at the end of the fixed interest period.
36. Where an alternative repayment arrangement is proposed, the lender must provide the **borrower** with a clear explanation, in writing, of the alternative repayment arrangement, including:
- a) the implications for the period of the loan and the amount owing;
  - b) details of any additional interest or charges that may arise;
  - c) the implications of the alternative repayment arrangement for the **borrower's** credit record; and
  - d) information regarding the **borrower's** right to appeal the lender's decision and the procedure for submitting an appeal.

37. The lender must monitor the arrangement on an ongoing basis and formally review the **borrower's** case, including the SFS, at least every six months.
38. At the **borrower's** request and with the **borrower's** written consent, the lender must liaise with a third party nominated by the **borrower** to act on his/her behalf. This does not prevent the lender from contacting the **borrower** directly to discuss **arrears**.
39. If a lender is not willing to enter into an alternative repayment arrangement, for example, where it is concluded that the mortgage is unsustainable and an alternative repayment arrangement is unlikely to be appropriate, the reasons must be given in writing to the **borrower**. In these circumstances, the lender must make the **borrower** aware of:
  - a) other possible options (such as voluntary surrender, trading down or voluntary sale) and the implications of these for the **borrower**; and
  - b) the right to appeal the lender's decision and the procedure for submitting an appeal.
40. If a **borrower** is not willing to enter into an alternative repayment arrangement, the lender must make the **borrower** aware of other possible options (such as voluntary surrender, trading down or voluntary sale) and the implications of these for the **borrower**.
41. Where a **borrower** ceases to adhere to the terms of an alternative repayment arrangement, the lender must contact the **borrower** to ascertain why the payment has been missed. If the **borrower's** circumstances have changed and it is unlikely that he/she will be able to adhere to the terms of the alternative repayment arrangement on an ongoing basis, the lender's ASU must formally review the **borrower's** case immediately.

#### **Step 5, Appeals**

42. The lender must establish an appeals process to consider any appeals submitted by **borrowers** and to independently review the decision of the lender's ASU. The appeal must be considered by one or more senior personnel who have not been involved in the **borrower's** case previously.
43. The **borrower** must be allowed a reasonable amount of time to consider submitting an appeal, which must be at least 20 working days from the date he/she was informed of the decision of the lender's ASU.
44. Where a **borrower** makes a complaint in relation to the MARP process or any of the requirements of this Code, the complaint must be handled by the lender in accordance with the Complaints Handling provisions of the Consumer Protection Code, including informing the **borrower** of the right to refer the matter to the Financial Services Ombudsman.

#### **RESPOSSESSIONS**

45. The lender must not apply to the courts to commence enforcement of any legal action on **repossession** of the property secured by the mortgage:
  - a) until every reasonable effort has been made to agree an alternative arrangement with the **borrower** or his/her nominated representative, or
  - b) where the terms of an agreed alternative repayment arrangement are being adhered to;
 or

- c) where an appeal and/or complaint, including a complaint referred to the Financial Services Ombudsman, is ongoing.
46. Where the mortgage **arrears** situation persists, the lender may reserve the right to enforce the mortgage agreement, subject to the following:
- a) Where the **borrower** continues to co-operate reasonably and honestly with the lender, the lender must wait at least twelve months before applying to the courts to commence enforcement of any legal action on **repossession** of a **borrower's** primary residence. The twelve-month period commences:
    - i) when the **arrears** first arose, if a revised repayment arrangement has not been agreed, or
    - ii) when the **borrower** ceases to adhere to the terms of a revised repayment arrangement and no further arrangements are being entered into.
  - b) Where the **borrower** is appealing the lender's decision regarding a revised repayment arrangement or is making a complaint about the process to the lender or the Financial Services Ombudsman, the lender must wait until the appeals and/or complaints process has been exhausted before applying to the courts to commence enforcement of any legal action on **repossession** of a **borrower's** primary residence, even if it takes longer than twelve months from the time the **arrears** first arose to complete the appeals/complaints process.
  - c) Where the **borrower** fails to make a full and honest disclosure of information in the SFS, the lender may seek **repossession** and is not required to wait twelve months from the time **arrears** first arise or from the time a revised repayment arrangement breaks down.
  - d) Where it is clear that the **borrower** is deliberately not engaging with the lender, or where other circumstances reasonably justify, the lender may seek **repossession** in the absence of any engagement with the **borrower**.
47. The lender must notify the **borrower** in writing immediately before it applies to the courts to commence the enforcement of any legal action on **repossession**. This notification may be issued by the lender's legal advisers.
48. Even where legal action is being taken to obtain an Order for Possession, the lender must endeavour to maintain contact with the **borrower** or his/her nominated representative. If agreement can be reached, the lender must enter into repayment arrangements and put a hold on proceedings in the event of agreed regular repayments being maintained.
49. Following the disposal of the property, the lender must notify the **borrower** in writing (where applicable) of:
- a) the amount of outstanding debt,
  - b) any costs accruing, and
  - c) the interest rate to be charged on the remaining balance

## DEMONSTRATING COMPLIANCE

50. A lender must be able to demonstrate that it is in compliance with this Code.



51. A lender must maintain adequate records of all the steps taken, and all of the considerations and assessments required by this Code, and must produce all such records to the Financial Regulator upon request.
52. A lender must maintain records of all communications with **borrowers**. Such records must be readily accessible and capable of being reproduced in legible form. Contemporaneous notes of meetings and telephone calls will be considered sufficient.
53. A lender must maintain records of all appeals.
54. A lender must maintain records of all **repossessions**.