

Financial Services Bill

AMENDMENT
TO BE MOVED
ON REPORT

[Supplementary to the Marshalled List]

After Clause 40

LORD SHARKEY
LORD STEVENSON OF BALMACARA

Insert the following new Clause—

“Access to fixed rate mortgages for mortgage prisoners

- (1) The Treasury must by regulations provide for all mortgage prisoners who meet the conditions set out in subsection (2) to be offered a fixed rate mortgage by no later than 1st December 2021 on terms no less favourable than mortgages offered to consumers who are not mortgage prisoners and have broadly similar creditworthiness characteristics.
- (2) The conditions are—
 - (a) being up to date with payments or having aggregate arrears of no more than one monthly payment in the last 12 months,
 - (b) having a remaining mortgage term of two years or more,
 - (c) having an outstanding loan amount of at least £10,000, and
 - (d) not having had consent to let the mortgaged property.
- (3) In subsection (1)—

“mortgage prisoner” means a consumer who cannot switch to a different lender and has a regulated mortgage contract with one of the following type of firms—

 - (a) inactive lenders, or firms authorised for mortgage lending that are no longer lending; or
 - (b) unregulated entities, or firms not authorised for mortgage lending and which contract with a regulated firm to undertake the regulated activity of mortgage administrators.
- (4) The Treasury may by regulations define “broadly similar creditworthiness characteristics” for the purposes of subsection (1).
- (5) Regulations under subsection (1) are subject to the negative procedure.”

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1 April 2021
