

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS: HOUSING INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority 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 (Rule-making instrument) of the Act.

Pre-conditions to making

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

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

Commencement

- E. The Annex to this instrument comes into force on 27 February 2017

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms: Housing Instrument 2017.

By order of the Board of the Prudential Regulation Authority
8 February 2017

Annex

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

Part

HOUSING

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. HIGH LOAN TO INCOME ALLOWANCE**

Links

1 APPLICATION AND DEFINITIONS

...

1.11 In this Part the following definitions apply:

...

relevant period

means, in relation to a quarter, the quarter and the three consecutive quarters preceding it.

...

2 HIGH LOAN TO INCOME ALLOWANCE

2.1 Unless 2.3 or 2.4 apply, a *firm* must ensure that by the end of each quarter in which this Part applies the number of high loan to income mortgage contracts it enters into in a quarter the relevant period does not exceed 15% of all regulated mortgage contracts it enters into in that quarter relevant period.

...

2.3 A *firm* that has allocated any part of its high loan to income allowance to another member of the *group* must ensure that the number of *high loan to income mortgage contracts* it enters into in ~~a quarter~~ the relevant period does not exceed the amount specified in 2.1, as reduced by the amount of the high loan to income allowance it has allocated under 2.2.

2.4 A *firm* that is part of a *group* must ensure that the number of *high loan to income mortgage contracts* it enters into in ~~a quarter~~ the relevant period does not exceed the amount specified in 2.1, plus any high loan to income allowance allocated to it under 2.2.

...

2.5 In this chapter, a high loan to income allowance is the number of *high loan to income mortgage contracts* a *firm* may enter into in ~~a quarter~~ the relevant period in compliance with 2.1 without the modifications in 2.3 or 2.4 applied