

Application for variation of registered CR Code – Hardship changes

Part V – Change log from the public consultation changes to final proposed changes

Note: this change log includes material changes only. It does not include minor corrections.

Previous paragraph ref	New paragraph ref (if different)	Change type	Change explanation
1.1 Who CR Code binds		Updated	Changed to refer to the new paragraph 2.3 as the CR Code has to bind non-participating credit providers to the extent that the new paragraph 2.4 applies to them (which is the previous paragraph 2.3).
1.2 Definitions		Updated definitions of: <ul style="list-style-type: none"> - Temporary FHA - Variation FHA 	<p>Changed:</p> <ul style="list-style-type: none"> - “temporary relief or deferral FHA” to “temporary FHA” (and taken throughout CR Code) - removed the reference to ‘, and which does not involve a variation to the terms of the consumer credit of a type listed in paragraph 8A.X’ - Updated both definitions to include the wording from the amending Act (rather than just cross-referencing the Act) <p>No substantive change.</p>

1.2 Definitions		Added definitions of: - Overdue payment arrangement - Ordinary monthly payments	Definitions support paragraphs 8A.2 and 8A.5.
	2.4 Non-participating credit provider	Added	Added paragraph to make the CR Code non-binding on non-participating credit providers, save for new paragraph 2.4.
2.3 Non-participating credit provider	2.4	Updated paragraph (see LAQ submission)	Simplified drafting. Confirmed the subparagraph (a) continues to apply if the CP has at any stage disclosed credit reporting information or credit eligibility information about the individual to a CRB.
8A		Updated	Updated introductory text to paragraph to note that the requirement to disclose FHI is 'subject to limited exceptions' (i.e. as per s6QA(5)).
8A.1(a) – (c) Technical FHI provisions	8A.1(a) – (c)	Added note	No substantive change.
8A.1(d) Temporary FHAs made during a grace period		Removed	This impacts temporary FHAs made during the grace period. Previously, subparagraph would have required the CP to report RHI against the temporary FHA, but not report FHI in the first month. CPs that agree to

			a temporary FHA during the grace period (and which have not already reported RHI) must now report RHI against the temporary FHA <u>and</u> FHI=A.
8A.1(e) Effective date of FHAs	8A.1(d)	Updated paragraph	Simplified drafting. Changed: <ul style="list-style-type: none"> - reference from “a” CP in the new subparagraph (i) to “the CP” to emphasise that whether the CP has excessively delayed does not involve a comparison to other CPs processes. - added subparagraph (ii) to allow for backdating if the CP believes the individual was prevented by illness or reasonable cause from making a hardship notice.
8A.1(f) Two or more FHAs		Removed	
8A.1(g) Overdue payment arrangements after a rejected hardship request	8A.2(c)	Changed and moved	Moved to form part of paragraph 8A.2. Redrafted to state that the overdue payment arrangement is presumed to be a temporary FHA unless the CP states otherwise.

8A.1(h) Proactive offers of assistance		Removed	The updated subparagraph 8A.1(c), Effective Date of FHAs, addresses this issue.
8A.1(i) Joint accounts	8A.1(e)	Updated	Simplified the accompanying 'note'.
8A.1(j) Requirement to disclose RHI if FHI disclosed	8A.1(f)		
8A.1(k) Clarification of 6QA(5)(b)	8A.1(g)	Updated	Updated to reflect the term 'ordinary monthly payment'. No substantive change.
8A.2(a) Catch-up or payment test periods following a temporary FHA	8A.2(b)(i)	Moved	Incorporated as an exception to the general presumption relating to catch-up or payment test periods (in 8A.2(b)).
8A.2(b) Catch-up or payment test periods which don't follow a temporary FHA	8A.2(b)	Redrafted	Simplified drafting. No substantive change.
8A.2(c) Ordinary monthly payments not to start for >month	8A.2(a)	Redrafted and moved	Simplified drafting. No substantive change.
8A.2(d)		Removed	Subparagraph 8A.2(d) captured overdue payment arrangements not otherwise covered.

Other types of overdue payment arrangements not covered by (a) – (c).			The removal does not change the substantive position; if not covered by subparagraphs (a) or (b), the overdue payment arrangement is likely to be a temporary FHA unless otherwise agreed between the CP and individual. This should apply in very limited circumstances.
8A.3 Explanation of overdue payment arrangement		Combined with the Explanation of variation FHA paragraph	Combined with the similar provision relating to variation FHAs.
8A.4 and 8A.5 When a variation may be a variation FHA What variations may be a variation FHA	8A.3	Renumbered, updated and combined the two previous paragraphs dealing with variation FHAs	Combined the ‘When a variation may be a variation FHA’ and ‘What variations may be a variation FHA’ paragraphs. Simplified the drafting. Clarified that a variation FHA may involve more than one type of variation listed in paragraph 8A.4.
8A.5(b) Variation FHA – re-aging overdue payments	8A.3(d)	Updated	Clarified that whether the payments are ‘overdue’ is to be determined by reference to the terms of the consumer credit.
8A.5(e) Variation FHA – reducing interest rate, fees or other charges	8A.3(g)	Updated	Clarified that a reduction in the interest rate, fees or other changes done as an incidental part of an overdue payment arrangement is not itself a variation FHA.

8A.5(f)	8A.3(h)	Updated	Clarified that the change to repayment terms can include an extension of a current IO period (in addition to move from P&I to IO).
8A.6 Explanation of variation FHA	8A.4	Combined with the Explanation of overdue payment arrangements	<p>Combined with the similar provision relating to variation FHAs.</p> <p>Added new subparagraph 8.5(a) to clarify that, while the information does not need to be tailored to the individual, it must relate to the specific type of arrangement (i.e. temporary FHA, variation FHA or promise-to-pay).</p> <p>Updated the new subparagraph 8A.5(g) to clarify when information about variation FHA may be given with information about related temporary FHA.</p>
8A.7 V and A codes	8A.5		
8A.8 Transitional provisions	8A.6	Updated	Updated subparagraph 8.6(b)(i) to clarify that the transition relief only applies to an extension of the earlier hardship period (i.e. not a later, unconnected FHA).
8A.9 Requesting FHI for prohibited purposes	8A.7	Updated	Added a 'note' to explain the circumstances in which CRB prohibited from disclosing FHI.

19.7(a)(i) Which 'credit rating' to provide		Updated	<p>Changed the reference to “credit rating or credit score” to “credit rating on more than one credit score scale or range” (which matches the wording of amending Act).</p> <p>Changed the description of the one most often given to CPs” to “the one most accurate, relevant and up to date” to recognise that newer, better credit ratings may not initially be used by more credit providers.</p> <p>Also, removed the words “for new credit” as there was concern that they could create confusion (and are not strictly necessary).</p>
19.7(b)		Updated	Clarified wording
19.7(d)(i)		Updated	Updated the words to clarify the intent.
	19.7(d)(v)	Added	Include a new subparagraph 19.7(d)(v) that requires identification of 'significant' negative credit information.
19.7(d)(v)	19.7(d)(vi)		
19.7(d)(vi)	19.7(d)(vii)		
19.8		Updated subparagraph numbering	
19.8(i)	19.8(a)	Updated and added 19.8(a)(ii)	Updated to allow for the inclusion of additional codes and information provided the CRB 'reasonably believes' they will assist consumer understanding.