

1. When considering the rules of the Mortgages and Home Finance: Conduct of Business Sourcebook, to whom do the rules apply?
- A. Intermediaries and lenders who offer advice on or provide mortgage loans only.
  - B. Intermediaries who provide advice on mortgage loans only.
  - C. Lenders who provide residential mortgages only.
  - D. All intermediaries, lenders, and mortgage packaging firms who advise on, provide loans and administer applications for regulated mortgages.

**Key Option: D**

**Learning Outcome: 1.1**

24. When a valuer highlights to a mortgage lender that a property has sub-standard electrical wiring, what **initial** action is the lender **most likely** to take?
- A. Decline the mortgage.
  - B. Limit the mortgage to a maximum of 75% loan to value.
  - C. Obtain a specialist report on the wiring.
  - D. Request a Building Survey.

**Key Option: C**

**Learning Outcome: 3.3**

83. Martin and Julie, who both live and work in London, have decided to purchase a chalet in Switzerland for their own holiday occupation. In order to avoid any exchange rate risk on the repayments, the currency of the mortgage loan should be in
- A. dollars.
  - B. euros.
  - C. francs.
  - D. sterling.

**Key Option: D**

**Learning Outcome: 14.1**

93. Jason has an interest-only mortgage loan, which is to be partly repaid by a low-cost endowment policy. The balance will be repaid from a stocks and shares NISA. He has also effected a mortgage payment protection policy. Which of these arrangements, if any, may be assigned to the mortgage lender?
- A. None of the arrangements may be assigned.
  - B. The low-cost endowment policy only.
  - C. The mortgage payment protection policy only.
  - D. The stocks and shares NISA only.

**Key Option: B**

**Learning Outcome: 15.2**

- 100.** Priya is a higher-rate taxpayer with an interest only mortgage. What is the **main** advantage to Priya of using a stocks and shares NISA to repay her mortgage?
- A.** The fund within the NISA grows free of all taxation.
  - B.** Higher rate tax relief may be claimed on any contributions paid into the NISA.
  - C.** The investment proceeds may be withdrawn with income tax deducted at a nominal rate of 10%.
  - D.** The NISA investment proceeds may be withdrawn without liability to Income Tax and Capital Gains Tax.

**Key Option: D**

**Learning Outcome: 15.1**