

40667**Establish personal borrowing needs and make personal lending recommendations**

Kaupae Level	5
Whiwhinga Credit	15
Whāinga Purpose	<p>This skill standard is intended for people who want to work as a financial advisor in the provision of lending advice services.</p> <p>This skill standard will provide learners with the knowledge and skills to establish client personal lending needs and make personal lending recommendations in accordance with the regulatory framework and lending concepts.</p> <p>This skill standard can be used in programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strand in Personal Lending. [Ref: 2315-3].</p>

Hua o te ako me Paearu aromatawai | Learning outcomes and assessment criteria

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
1. Provide personal lending services.	a. Take reasonable steps to ensure client understands the personal lending advice process.
	b. Apply knowledge of the regulatory framework, legislation, and conduct obligations when providing personal lending services.
	c. Explain the roles and responsibilities of key participants and responsibilities in personal lending services.
	d. Explain the impact of different types of security, and appropriate form of charge.
	e. Apply key lending concepts and frameworks to types of client borrowing needs when providing personal lending services.

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
2. Develop an understanding of client situation to establish personal borrowing needs.	a. Consult and guide the client through the process of obtaining personal information of the individual.
	b. Collect information about a client's circumstances and financial situation that would impact personal borrowing needs.
	c. Determine client personal borrowing needs based on information collected.
	d. Identify and determine risk tolerance and risk capacity of the client.
	e. Identify gaps in information collected from the client that is necessary for personal borrowing and obtain any further information.
3. Analyse client information and circumstances to determine potential impacts on personal borrowing needs.	a. Analyse client's information to determine the potential impact of events on the client's financial situation.
	b. Analyse client circumstances to determine their potential impact on the client's personal borrowing needs.
	c. Analyse client information to determine need for consultation for further assistance with other specialists.
4. Implement and monitor personal lending recommendations with client.	a. Present personal lending recommendations to client.
	b. Implement personal lending recommendations.
	c. Monitor and review personal lending recommendations.
	d. Record client information, interactions, analysis, and recommendations.

Pārongo aromatawai me te taumata paearu | Assessment information and grade criteria

Assessment specifications:

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available if they are available to a licenced financial advice provider or requiring a licence to use.

Any use of digital advice tools or artificial intelligence will need to be in accordance with relevant organisational and industry codes of conduct and practice.

All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

Client also includes potential clients. *Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

Evidence must show three different types of client borrowing situations.

Definitions

Lending frameworks refers to organisational policies, procedures, and guidelines that set out requirements and criteria that apply to loan application, assessment, approval, management, reassessment, collections and/or recoveries. Policies may cover trigger points for activation of policy, process to initiate action, and escalation triggers.

Regulatory framework refers to legislation, regulations, codes of conduct and/or practice as they apply to financial services and the provision of personal lending services.

Ngā momo whiwhinga | Grades available

Achieved

Ihirangi waitohu | Indicative content

Reasonable steps to take to ensure client understands the personal lending process

- checking on the client's skills, experiences, and vulnerabilities
- the nature and scope of advice being given including any limitations
- sufficient comprehension of content, risks, and the consequences of the insurance advice
- other services related to the advice.

Regulatory framework, legislation, and conduct obligations

- legislation
- regulations.

Key roles for Personal Lending

- lender
- intermediary
- loan approval or decline decision-makers.

Key lending concepts

- financial position
- security
- serviceability
- purpose for lending
- client profile.

Client profile for personal borrowing needs

- both positive and negative credit history
- stability of employment and accommodation
- life stage
- willingness to meet commitments
- financial understanding
- serviceability.

Security and appropriate form of charge

- caveat
- vehicle.

Key lending frameworks

- credit policy
- credit approval
- hierarchy of credit approval.

Common trigger points for lending policy

- activation of policy
- process to initiate action
- escalation triggers.

Rauemi | Resources

- Anti-Money Laundering and Countering Financing of Terrorism Act 2009
- [Code of Banking Practice, April 2021](#)
- [Code of Professional Conduct for Financial Advice Services](#)
- Consumer Guarantees Act 1993
- Credit Contracts and Consumer Finance Act 2003
- Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf \(fma.govt.nz\)](#)
- Fair Trading Act 1986
- [Financial Markets Authority - Developing cyber resilience for financial advice providers \(July 2024\)](#)
- Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services \(July 2024\)](#) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
- Financial Markets Conduct Act 2013
- Financial Services Legislation Amendment Act 2019
- ISO 22222 Personal Financial Planning - Requirements for personal financial planners, available from <https://www.iso.org>
- KiwiSaver Act 2006
- Personal Property Securities Act 1999

- Reserve Bank of New Zealand Act 1989
- Responsible Lending Guidelines, published by the Financial Services Federation, Wellington, 2019. Available at www.fsf.org.nz
- Relevant industry codes of conduct;
and all subsequent amendments and replacements.

Pārongo Whakaū Kouna | Quality assurance information

Ngā rōpū whakatau-paerewa Standard Setting Body	Ringa Hora Services Workforce Development Council
Whakaritenga Rārangi Paetae Aromatawai DASS classification	Service Sector> Financial Services> Financial Services - Professional Practice
Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga CMR	0112

Hātepe Process	Putanga Version	Rā whakaputa Review Date	Rā whakamutunga mō te aromatawai Last date for assessment
Rēhitatanga Registration	1	29 May 2025	N/A
Kōrero whakakapinga Replacement information	This standard replaces unit standards 31880 and 31882.		
Rā arotake Planned review date	31 December 2030		

Please contact Ringa Hora Services Workforce Development Council at qualifications@ringahora.nz to suggest changes to the content of this skill standard.