

<b>Title</b>	<b>Determine and communicate credit application outcomes</b>		
<b>Level</b>	<b>3</b>	<b>Credits</b>	<b>10</b>

<b>Purpose</b>	<p>This unit standard is for people who are involved or intend to be involved in the processing of credit applications.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> <li>– describe credit applications;</li> <li>– obtain and check applicant information for determining creditworthiness;</li> <li>– determine outcomes of credit applications; and</li> <li>– communicate outcomes of credit applications.</li> </ul>
----------------	---

<b>Classification</b>	Financial Management > Credit Administration
-----------------------	--

<b>Available grade</b>	Achieved
------------------------	----------

---

### Guidance Information

- 1 Legislation applicable to this unit standard includes:  
Credit Contracts and Consumer Finance Act 2003;  
Personal Properties Security Act 1999;  
Privacy Act 2020.
- 2 Definitions  
*Applicant* means any legal entity including private individuals, and commercial entities.  
*Creditworthiness* refers to the suitability of an applicant to receive credit.  
*Industry practice* includes policies, procedures and standards that competent practitioners in the industry recognise as current industry best practice.  
*Organisational practice* includes documented policies, procedures, and practices, and policy and procedure manuals pertaining to credit.  
*Terms of trade* includes credit limit billing cycles, payment due dates, discounts for prompt payment, and any trade card conditions.
- 3 This unit standard may be assessed on-job in the workplace using naturally occurring evidence or in off-job simulated work situations designed to draw upon similar performance to that required in work in a credit administration and/or credit management context.
- 4 All evidence must be in accordance with organisational practice where possible, otherwise evidence may be based on industry practice.

---

## Outcomes and performance criteria

### Outcome 1

Describe credit applications.

#### Performance criteria

1.1 Describe the credit application process.

1.2 Describe the elements of a credit application.

Range elements include – correct legal entities, personal guarantee, terms and conditions, positive identification, addresses, phone numbers;  
may include but is not limited to – relevant legislation, witness, correct contracting parties, privacy statement, authorisation, credit referees, signature, date of birth, acceptance of Personal Properties Security Registration clause, company registration number, credit reference, loan purpose, credit limits, ensuring compliance;  
minimum of two elements is required.

1.3 Describe types of credit application process.

Range types may include but are not limited to – interview, online, auto-decision making processes;  
minimum of two types required.

1.4 Describe sources where applicant information may be accessed for a credit application.

Range sources may include but are not limited to – application form; Personal Properties Security Register search, which may include use for the purpose of referee enquiries; credit bureau check; supplier group; trade references; industry references; previous enquiries; web searches; social media checks, companies office;  
minimum of four sources required.

### Outcome 2

Obtain and check applicant information for determining creditworthiness.

#### Performance criteria

2.1 Obtain applicant information from credit application.

**2.2 Obtain applicant information from other sources.**

**Range** other sources may include but are not limited to – assets, liabilities, cashflow, income and expenditure, balance sheet, Personal Properties Security Register search, which may include use for the purpose of referee enquiries; credit bureau check; supplier group; trade references; industry references; previous enquiries; web searches; social media checks.

**2.3 Check details necessary for correct legal identification of the applicant to ensure that they are completed in accordance with organisational practice.**

**Range** includes – correct legal entities, terms and conditions, privacy statement, positive identification, signature, addresses, phone numbers;  
may include but is not limited to – personal guarantee, witness, correct contracting parties, authorisation, credit referees, date of birth, acceptance of Personal Properties Security Registration clause, company registration number and/or NZBN.

**2.4 Check details of referees and guarantors to ensure that they are recorded.****2.5 Check documentation required from the applicant has been obtained and completed.**

**Range** includes but is not limited to – waiver of the requirements of the Privacy Act 2020 for the purposes of credit.

**2.6 Check the application form is signed by the applicant.****Outcome 3**

Determine outcomes of credit applications.

**Performance criteria**

3.1 Determine applicant's creditworthiness using applicant information.

3.2 Determine outcomes of credit applications in accordance with organisational practice and with consideration of creditworthiness.

3.3 Determine credit limit and terms of trade for the applicant.

3.4 Record applicant's credit outcome details for the application.

**Outcome 4**

Communicate outcomes of credit applications.

## Performance criteria

4.1 Communicate outcomes of credit applications to applicants.

Range outcomes include – successful, unsuccessful.

4.2 Communicate terms for a successful applicant in trade or finance and advise any guarantors.

Range trade credit includes – billing cycle, payment due date, available methods of payment, terms and conditions;  
finance includes – disclosure documentation;  
may include but is not limited to – transaction card conditions, Personal Properties Security Register.

4.3 Explain reasons for unsuccessful application to an applicant, along with remedies that would lead to application being accepted.

<b>Planned review date</b>	31 December 2029
----------------------------	------------------

## Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	27 September 1999	31 December 2013
Revision	2	22 October 2002	31 December 2013
Review	3	28 June 2005	31 December 2021
Rollover and Revision	4	15 November 2012	31 December 2021
Rollover and Revision	5	22 May 2014	31 December 2021
Review	6	18 June 2015	31 December 2023
Review	7	24 September 2020	31 December 2027
Review	8	27 March 2025	N/A

<b>Consent and Moderation Requirements (CMR) reference</b>	0121
--	------

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

## Comments on this unit standard

Please contact Ringa Hora Services Workforce Development Council [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) if you wish to suggest changes to the content of this unit standard.