

<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>– demonstrate knowledge of credit applications;</li> <li>– obtain and check applicant information for determining creditworthiness;</li> <li>– determine outcome of credit application; and</li> <li>– communicate outcomes of credit applications.</li> </ul>
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<b>Classification</b>	Financial Management > Credit Administration
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<b>Available grade</b>	Achieved
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### Guidance Information

- 1 Legislation applicable to this unit standard includes:  
Credit Contracts and Consumer Finance Act 2003;  
Personal Properties Security Act 1999;  
Privacy Act 1993;  
and all subsequent amendments and replacements.
- 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 is in accordance with organisational practice where possible, otherwise evidence may be based on industry practice.

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## Outcomes and performance criteria

### Outcome 1

Demonstrate knowledge of 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 – 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;  
minimum of two elements are 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;  
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 financial details of the applicant to determine credit status.

Range assets, liabilities, cashflow, income and expenditure, balance sheet.

- 2.3 Obtain applicant information from other sources.
- Range other sources may include but are not limited to – 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.
- 2.4 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.
- 2.5 Check details of referees and guarantors to ensure that they are recorded.
- 2.6 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 1993 for the purposes of credit.
- 2.7 Check the application form is signed by the applicant.

### **Outcome 3**

Determine outcome of credit application.

#### **Performance criteria**

- 3.1 Determine applicant's creditworthiness using applicant information.
- 3.2 Determine outcome of credit application in accordance with organisational practice and with consideration of creditworthiness.
- 3.3 Determine credit classification of the applicant.
- 3.4 Determine credit limit and terms of trade for the applicant.
- 3.5 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 Define terms of trade for a successful applicant, and advise any guarantors.

Range includes – billing cycle, payment due date, available methods of payment, terms and conditions; 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 2025
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**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	N/A

<b>Consent and Moderation Requirements (CMR) reference</b>	0121
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

**Comments on this unit standard**

Please contact The Skills Organisation [reviewcomments@skills.org.nz](mailto:reviewcomments@skills.org.nz) if you wish to suggest changes to the content of this unit standard.