

<b>Title</b>	<b>Analyse credit options and select strategies to manage personal finances</b>		
<b>Level</b>	<b>3</b>	<b>Credits</b>	<b>3</b>

<b>Purpose</b>	People credited with this unit standard are able to analyse credit options and select strategies to manage personal finances.
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<b>Classification</b>	Core Generic > Financial Capability
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<b>Available grade</b>	Achieved, Merit, and Excellence
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<b>Criteria for Merit</b>	The description includes an explanation of how the selected debt management strategies can be used to minimise debt in relation to personal finances for the given situations.
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<b>Criteria for Excellence</b>	The description includes justification for the selection of the debt management strategies with supporting examples to show how they can minimise debt in relation to personal finances for the given situations.
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### Explanatory notes

- 1 This unit standard can be awarded with *Achieved*, *Merit*, or *Excellence*. For the *Achieved* grade to be awarded, the outcome must be achieved as specified in the outcome statement. For *Merit* or *Excellence* to be awarded, the candidate must meet the *Merit* or *Excellence* criteria specified above.
- 2 Definitions  
*Credit* refers to the creation of any form of deferred payment.  
*Credit contract requirements* refer to consideration, capacity, legality, intent, consent.  
*Debt* refers to an asset obligation owed by one person to another.  
*Total cost of credit* may include – deposit, term of credit, interest costs, repayment instalments, frequency of repayments, early repayment penalties, and other charges.
- 3 If assessment is based on the candidate's real situation, every care must be taken to protect privacy, and the provisions of the Privacy Act 1993 will apply.
- 4 Legislation relevant to this unit standard may include but is not limited to:  
Credit Contracts and Consumer Finance Act 2003  
Credit (Repossession) Act 1997  
Privacy Act 1993  
Credit Reporting Privacy Code 2012.

## Outcomes and evidence requirements

### Outcome 1

Analyse credit options and select strategies to manage personal finances.

### Evidence requirements

- 1.1 Features of two credit options are analysed and compared in terms of advantages and disadvantages, in relation to personal finances.

Range Two credit options include credit card, and one of: personal loan, hire purchase, credit contract, mortgage; features include – total cost of credit versus cash price; provider of credit; length of time; credit contract requirements; potential consequences of using credit; consequences for a guarantor.

- 1.2 Debt management strategies are described in relation to personal finances and strategies selected for given situations to minimise debt.

Range debt management strategies may include – accessing advice and assistance, communication with creditors, interest rate considerations, debt consolidation, adjustments to lifestyle, use of hardship provisions, sale of non-essential items; evidence relating to three different strategies is required.

<b>Planned review date</b>	31 December 2020
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### Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	12 December 2013	31 December 2018
Review	2	21 July 2016	N/A

<b>Consent and Moderation Requirements (CMR) reference</b>	0226
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

### Please note

Providers must be granted consent to assess against standards (accredited) by NZQA, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be granted consent to assess against standards by NZQA before they can register credits from assessment against unit standards.

Providers and Industry Training Organisations, which have been granted consent and which are assessing against unit standards must engage with the moderation system that applies to those standards.

Requirements for consent to assess and an outline of the moderation system that applies to this standard are outlined in the Consent and Moderation Requirements (CMR). The CMR also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

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### **Comments on this unit standard**

Please contact NZQA National Qualifications Services [nqs@nzqa.govt.nz](mailto:nqs@nzqa.govt.nz) if you wish to suggest changes to the content of this unit standard.