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| Title | Demonstrate and apply knowledge of key lending concepts and frameworks to a variety of lending situations in banking | | |
| Level | 5 | Credits | 5 |

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| Purpose | People credited with this unit standard are able to demonstrate and apply knowledge of key lending concepts and frameworks to a variety of lending situations banking. |
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| Classification | Financial Services > Financial Services - Professional Practice |
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| Available grade | Achieved |
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Guidance Information

1 References

Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
 Code of Banking Practice 2018;
 Code of Professional Conduct for Financial Advice Services;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Financial Markets Conduct Act 2013;
 Financial Service Providers (Registration and Dispute Resolution) Act 2008;
 Financial Services Legislation Amendment Act 2019;
 Reserve Bank of New Zealand Act 1989;
 relevant industry codes of conduct;
 and all subsequent amendments and replacements.

2 Definitions

Bank, banking and derivatives of those terms – the range of organisations and institutions that provide similar services and products, including registered banks and non-bank lenders and deposit takers such as credit unions, finance companies, building societies and other providers of similar services.

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

3 Assessments requiring application or demonstration of skills and knowledge may be performed using workplace evidence or evidence derived from simulation or scenario based activities.

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.

Outcomes and performance criteria

Outcome 1

Demonstrate and apply knowledge of key lending concepts and frameworks to a variety of lending situations in banking.

Performance criteria

1.1 Explain key lending concepts, including the rationale for their application, in a banking context.

Range concepts may include but are not limited to – financial position, security, serviceability, client profile, purpose for lending.

1.2 Explain key lending frameworks, including the rationale for their application, in a banking context.

1.3 Apply key lending concepts and frameworks to a range of lending situations to develop financial solutions to client banking needs.

Range evidence of three borrowing situations that in aggregate include both standard and non-standard situations, and both a new loan and an existing loan context.

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| Planned review date | 31 December 2024 |
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Status information and last date for assessment for superseded versions

| Process | Version | Date | Last Date for Assessment |
|--------------|---------|------------------|--------------------------|
| Registration | 1 | 19 February 2015 | 31 December 2022 |
| Review | 2 | 23 January 2020 | N/A |

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| Consent and Moderation Requirements (CMR) reference | 0003 |
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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 if you wish to suggest changes to the content of this unit standard.