

Title	Demonstrate understanding of personal lending concepts, and associated organisational and regulatory requirements		
Level	5	Credits	5

Purpose	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – demonstrate knowledge of the legislative and regulatory framework applicable to the provision of personal lending services – explain key lending concepts and their relevance to typical personal lending situations and – demonstrate understanding of typical organisational policies and frameworks relating to personal lending.
----------------	--

Classification	Financial Services > Financial Services - Professional Practice
-----------------------	---

Available grade	Achieved
------------------------	----------

Guidance Information

1 References

Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
 Code of Banking Practice;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 KiwiSaver Act 2006;
 Reserve Bank of New Zealand Act 1989;
 Responsible Lending Guidelines, Published by Financial Services Federation, Wellington, 2011. Available at www.fsf.org.nz;
 relevant industry codes of practice;
 and all subsequent amendments and replacements.
 For detailed information on specific requirements in relation to legislation and regulations refer to the Legislation Matrix available at www.skills.org.nz/resources-for-training-providers.

2 Definitions

Legislation Matrix – a reference list of legislation, regulations, and codes of practice, including specific sections or areas that candidates need to be familiar with for the purposes of assessment against this unit standard. It is available at: www.skills.org.nz/resources-for-training-providers.

Frameworks – 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.

New loan context – application, assessment, and approval of new personal loans.

Existing loan context – management, reassessment, collections and recoveries of personal loans already made.

3 Range

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 knowledge of the legislative and regulatory framework applicable to the provision of personal lending services.

Performance criteria

- 1.1 Explain the elements and relevance of legislation, regulations, and codes of practice identified in the Legislation Matrix that impact the daily operations of a provider of personal lending services.
- 1.2 Explain elements of duty of care, contract, and negligence and apply to a situation relevant to personal lending.

Outcome 2

Explain key lending concepts and their relevance to typical personal lending situations.

Range key lending concepts include but are not limited to – financial position, security, serviceability, purpose for lending, client profile; client profile includes but is not limited to – both positive and negative credit history, stability of employment and accommodation, life stage, willingness to meet commitments, financial understanding.

Performance criteria

- 2.1 Explain the elements of key lending concepts that are applied in providing appropriate personal lending solutions.
- 2.2 Explain the relevance of key lending concepts in providing appropriate solutions for both client and lender in a new loan context.
- 2.3 Explain the relevance of key lending concepts in providing appropriate solutions for both client and lender in an existing loan context.

Outcome 3

Demonstrate understanding of typical organisational policies and frameworks relating to personal lending.

Performance criteria

- 3.1 Explain typical organisational policies, procedures and guidelines in terms of requirements and criteria that apply in a new loan context.
- 3.2 Explain typical organisational policies, procedures and guidelines in terms of requirements and criteria that apply in an existing loan context.
- 3.3 Describe common trigger points for activation of policy, process to initiate action, and escalation triggers.

Replacement information	This unit standard was replaced by unit standard 31880.
--------------------------------	---

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

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	31 December 2022

Consent and Moderation Requirements (CMR) reference	0003
--	------

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