

Title	Demonstrate understanding of residential property lending products and the borrowing needs they meet		
Level	5	Credits	5

Purpose	People credited with this unit standard are able to demonstrate understanding of residential property lending products and the borrowing needs they meet.
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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;
 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.

2 Definitions

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

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

Interest structures – loan conditions relating to interest calculations such as fixed, floating, capped, and blended.

Capital structures – loan conditions relating to the calculation of capital repayments such as table, interest only, revolving, and reducing balance.

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 understanding of residential property lending products and the borrowing needs they meet.

Range borrowing needs may arise in the context of either new or existing loans.

Performance criteria

1.1 Explain the features, benefits, risks, and limitations of common variants of residential property lending products in terms of their suitability in meeting different borrowing needs.

Range product variants include but are not limited to – interest structures, capital structures, part or fully capitalised loans, bridging loans, reverse equity borrowing; evidence of six is required, at least two different interest structures and at least two different capital structures.

1.2 Explain three methods of access to different residential property lending products in terms of their suitability in meeting different borrowing needs.

1.3 Explain the terms and conditions of KiwiSaver that relate to residential property lending.

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>.