

Title	Develop financial solutions to meet the needs of residential property borrowers and apply a loan application process		
Level	5	Credits	5

Purpose	People credited with this unit standard are able to: <ul style="list-style-type: none"> – develop solutions for residential property lending, and – apply the residential property lending application process.
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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.
 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**
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.
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.
- 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

Develop solutions for residential property lending.

Range provide three examples with a range of needs and complexity. At least one example must come from a new loan context and at least one example must come from an existing loan context.

Performance criteria

- 1.1 Analyse client financial situation and compare it to the requirements of relevant frameworks.
- 1.2 Match lending products and/or services with the borrowing needs and validate the match by the application of quantitative analysis techniques.
- 1.3 Identify any tax and legal implications and explain any need for specialist advice.
- 1.4 Assess the relevance of the legal structure of the borrower in relation to any special requirements imposed by the lending framework.

Range legal structure may include but is not limited to – individuals, companies, trusts, partnerships.

Outcome 2

Apply the residential property lending application process.

Performance criteria

- 2.1 Apply the residential property loan application process and produce documents in accordance with relevant frameworks.

Range cover sheet and diary note, application form, authority and declaration, proof of income, proof of identity, key dates, details of other professional parties;
may also include but is not limited to – financial history, registered valuation, sale and purchase agreement, building contract, trust deed, certificate of incorporation, proof of residency, rental agreement.

- 2.2 Identify appropriate financial ratios and use them to evaluate the financial impact of borrowing for the purpose of a residential property purchase.

Range may include but is not limited to – gross yield, net yield, debt coverage ratio, debt/equity ratio, common valuation methodologies, serviceability calculations, statement of position, settlement position.

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