

Title	Apply knowledge of residential property lending products and services to meet needs and process a loan application		
Level	5	Credits	8

Purpose	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – apply knowledge of residential property lending products and services to develop solutions that meet client residential property lending needs; – apply knowledge of client and adviser circumstances that are relevant to creating residential property lending solutions that meet client needs; and – process a residential property loan application.
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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 Services Legislation Amendment Act 2019;
 KiwiSaver Act 2006;
 Reserve Bank of New Zealand Act 1989;
 Responsible Lending Guidelines, published by the Financial Services Federation, Wellington, 2019. Available at www.fsf.org.nz;
 relevant industry codes of conduct;
 and all subsequent amendments and replacements.

2 Definitions

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

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.

Lending 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 residential property loans.

- 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

Apply knowledge of residential property lending products and services to develop solutions that meet client residential property lending needs.

Performance criteria

- 1.1 Analyse the features, benefits, risks, and limitations of products and services to identify those that meet the needs of the client.
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| Range | product variants may 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. |
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- 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 Adjust specific terms of products or services to meet client's circumstances and needs.
- 1.4 Explain the terms and conditions of KiwiSaver that relate to the residential property lending.

Outcome 2

Apply knowledge of client and adviser circumstances that are relevant to creating residential property lending solutions that meet client needs.

Performance criteria

- 2.1 Assess the relevance of the legal structure of the client in relation to any special requirements imposed by the lending frameworks.

Range legal structure may include but is not limited to – trusts, companies, sole traders, partnerships, limited liability companies, look-through companies.

- 2.2 Explain strategies to address any limits of authority or expertise when creating residential property borrowing solutions to meet client needs.

Outcome 3

Process a residential property loan application.

Performance criteria

- 3.1 Prepare and process documentation for the residential property loan application in accordance with lending 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.

- 3.2 Identify and apply relevant financial ratios to evaluate the financial impact of borrowing on the client.

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.

Replacement information	This unit standard was replaced by skill standard 40652.
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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	23 January 2020	31 December 2027
Review	2	29 May 2025	31 December 2027

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>.

This unit standard is expiring