

Title	Demonstrate and apply knowledge of the personal lending services environment and concepts		
Level	5	Credits	5

Purpose	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – explain and apply knowledge of the regulatory framework when providing personal lending services; – explain key roles in personal lending organisations; – explain key lending concepts and their relevance to typical personal lending situations; and – demonstrate knowledge of lending frameworks relating to personal lending.
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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;
 Credit Contracts and Consumer Finance Act 2003;
 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

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

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

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.

Regulatory framework – legislation, regulations, codes of conduct and/or practice as they apply to financial services and the provision of personal lending services.

- 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

Explain and apply knowledge of the regulatory framework when providing personal lending services.

Performance criteria

- 1.1 Explain key provisions of legislation, regulations, and codes of conduct 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 personal lending situation.
- 1.3 Apply knowledge of key provisions of legislation, regulations, and codes of conduct when providing personal lending services.

Range evidence of three examples is required.

Outcome 2

Explain key roles in personal lending organisations.

Range may include but not limited to credit manager, approvals manager, settlements officer, collections manager.

Performance criteria

- 2.1 Explain the purpose of key roles in personal lending organisations.
- 2.2 Explain the responsibilities of key roles in personal lending organisations.

Outcome 3

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

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

- 3.1 Explain the key lending concepts that are applied in providing personal lending solutions.
- 3.2 Explain the relevance of key lending concepts in providing solutions for both client and lender in a new loan context.
- 3.3 Explain the relevance of key lending concepts in providing solutions for both client and lender in an existing loan context.

Outcome 4

Demonstrate knowledge of lending frameworks relating to personal lending.

Performance criteria

- 4.1 Explain lending frameworks in terms of requirements and criteria that apply in a new loan context.
- 4.2 Explain lending frameworks in terms of requirements and criteria that apply in an existing loan context.
- 4.3 Describe common trigger points for activation of policy, process to initiate action, and escalation triggers.

Replacement information	This unit standard and unit standard 31881 were replaced by skill standard 40667. This unit standard replaced unit standard 28380.
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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

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