|  |  |
| --- | --- |
| **2** | **Establish borrowing needs and apply process to implement and monitor recommendations for lending services** |

|  |  |
| --- | --- |
| **Kaupae |** Level | 5 |
| **Whiwhinga |** Credit | 10 |
| **Whāinga |** Purpose | The purpose of this skill standard is for people who want to work as a financial adviser in the provision of lending advice services.  This skill standard will provide learners with the knowledge and skills to establish borrowing needs and apply process to implement and monitor recommendations for lending services.  This skill standard has been developed primarily for the assessment within programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strands in Personal, Residential Property Lending, and Banking. |

**Hua o te ako me Paearu aromatawai |** Learning outcomes and assessment criteria

| **Hua o te ako |** Learning outcomes | **Paearu aromatawai |** Assessment criteria |
| --- | --- |
| 1. Develop an understanding of client’s situation. | 1. Consult and guide the client through the process of obtaining information of the individual. |
| 1. Collect information about a client’s circumstances and financial situation that would impact borrowing needs and determine client borrowing needs. |
| 1. Identify and determine risk tolerance and risk capacity of the client. |
| 1. Identify gaps in information collected from the client that is necessary for borrowing and obtain any further information. |

| 1. Analyse client information and circumstances to determine potential impacts on borrowing needs. | 1. Analyse client’s information to determine the potential impact of events on the client’s financial situation. |
| --- | --- |
| 1. Analyse client circumstances to determine their potential impact on the client’s borrowing needs. |
| 1. Analyse client information to determine need for consultation for further assistance with other specialists. |
| 1. Apply process to implement and monitor recommendations with client. | a) Present lending recommendations to client. |
| b) Implement lending recommendations. |
| c) Monitor and review lending recommendations. |
| d) Record client information, interactions, analysis, and recommendations. |

**Pārongo aromatawai me te taumata paearu |** Assessment information and grade criteria

*Assessment specifications:*

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available if they are available to a licenced financial advice provider or having a licence to use.

Any use of digital advice tools or artificial intelligence will need to be used in accordance with relevant organisational and industry codes of conduct and practice.

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.

*Client* also includes potential clients. Clients may include Trust, individual, family, joint.

*Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

Evidence of three client examples with a range of needs and complexities is required.

***Ngā momo whiwhinga |*** *Grades available*

Achieved

**Ihirangi waitohu |** Indicative content

Client’s information and circumstances

* relationship status, family structure
* age
* dependents
* occupation/s
* employment status (employed/self-employed)
* expenses to income
* assets
* income
* source of deposit
* credit check.

Risk tolerance

* questions to determine risk tolerance
* scenario based questioning

Events that may impact on a client’s financial situation

* changes to financial markets
* changes to the economic environment.

Impacts of events on a client’s financial situation

* values of assets
* earning capacity
* net worth.

Client circumstances to determine their potential impact

* potential impact of reasonably foreseeable changes to client circumstances
* impact may affect product type or product structure
* job
* relationship.

Specialist consultation may include legal or accounting.

Implement residential property lending recommendations.

* negotiating any variations required for implementation
* arranging client acceptance and sign off.

Monitor and review recommendations for lending.

* establishing terms for review
* timetable for review
* responsibilities of the parties
* assessing progress towards goals
* determining any changes needed.

**Rauemi |** Resources

* Anti-Money Laundering and Countering Financing of Terrorism Act 2009
* [Code of Banking Practice 2021](https://www.nzba.org.nz/wp-content/uploads/2023/12/Code-Of-Banking-Practice-A4-PRINTABLE.pdf)
* [Code of Professional Conduct for Financial Advice Services](https://financialadvicecode.govt.nz/wp-content/uploads/2021/03/codeofprofessionalconduct-march2021.pdf)
* Consumer Guarantees Act 1993
* Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf (fma.govt.nz)](https://www.fma.govt.nz/assets/Reports/CustomerVulnerability-ourexpectationsforproviders.pdf)
* Fair Trading Act 1986
* [Financial Markets Authority - Developing cyber resilience for financial advice providers (July 2024)](https://www.fma.govt.nz/assets/Information-sheets/Developing-cyber-resilience-for-financial-advice-providers.pdf)
* Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services (July 2024)](https://www.fma.govt.nz/assets/Research/Understanding-Artificial-Intelligence-in-Financial-Services.pdf) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
* Financial Markets Conduct Act 2013
* Financial Services Legislation Amendment Act 2019
* ISO 22222 Personal Financial Planning - Requirements for personal financial planners, available from <https://www.iso.org>
* KiwiSaver Act 2006
* Reserve Bank of New Zealand Act 2021
* Responsible Lending Guidelines, published by the Financial Services Federation, Wellington, 2019. Available at [www.fsf.org.nz](http://www.fsf.org.nz/)
* Relevant industry codes of conduct;

and all subsequent amendments and replacements.

**Pārongo Whakaū Kounga |** Quality assurance information

|  |  |
| --- | --- |
| **Ngā rōpū whakatau-paerewa |** Standard Setting Body | Ringa Hora Services Workforce Development Council |
| **Whakaritenga Rārangi Paetae Aromatawai |** DASS classification | Service Sector> Financial Services> Professional Practice |
| **Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga |** CMR | 0003 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Hātepe |** Process | **Putanga |** Version | **Rā whakaputa |** ReviewDate | **Rā whakamutunga mō te aromatawai |** Last date for assessment |
| **Rēhitatanga |** Registration | 1 | [dd mm yyyy] | [dd mm yyyy] |
| **Arotakenga |** Review | <type here> | [dd mm yyyy] | [dd mm yyyy] |
| **Kōrero whakakapinga |** Replacement information | This skill standard replaces unit standards 31876, 31884. | | |
| **Rā arotake |** Planned review date | 2030 | | |

Please contact Ringa Hora Services Workforce Development Council at [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) to suggest changes to the content of this skill standard.