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| **1** | **Provide lending services with knowledge of the lending environment and concepts**  |

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| **Kaupae |** Level | 5 |
| **Whiwhinga |** Credit | 5 |
| **Whāinga |** Purpose | The purpose of this skill standard is for people who provide personal, and residential property lending services with knowledge of the lending environment and concepts. This skill standard will provide learners with the knowledge and skills to provide lending services with knowledge of the lending environment and concepts. 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, and Residential Property Lending.  |

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

| **Hua o te ako |** Learning outcomes  | **Paearu aromatawai |** Assessment criteria |
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| 1. Provide lending services with knowledge of regulatory framework, and key participants and roles.  | 1. Explain steps taken to ensure client understands the lending advice process.
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| 1. Apply knowledge of the regulatory framework, legislation, and conduct obligations to lending services.
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| 1. Explain key participants and responsibilities of roles in lending services.
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| 1. Explain the impact of different types of security, and appropriate form of charge.
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| 1. Apply key lending concepts and frameworks to types of client’s borrowing needs.
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**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 must show three different types of client borrowing situations.

*Definitions*

*Existing loan context* refers to management, reassessment, collections and recoveries of personal loans already made.

*New loan context* refers to application, assessment, and approval of new personal loans.

*Lending frameworks* refers to 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* refers to legislation, regulations, codes of conduct and/or practice as they apply to financial services and the provision of personal, and residential property lending services.

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

Achieved

**Ihirangi waitohu |** Indicative content

Regulatory framework, legislation, and conduct obligations

* legislation
* regulations

Contract – for example Sales and Purchase Agreement.

Key roles for Personal Lending

* lender
* intermediary
* loan approval or decline decision-makers.

Key roles for Residential Property Lending

* lender (registered bank and non-bank lenders)
* mortgage adviser
* solicitor
* registered valuer
* real estate agent
* conveyancer
* accountant
* insurance adviser
* property manager.

Key lending concepts

* financial position
* security
* serviceability
* purpose for lending
* client profile.

Client profile

* both positive and negative credit history
* stability of employment and accommodation
* life stage
* willingness to meet commitments
* financial understanding
* serviceability
* client profile.

Security and appropriate form of charge

* Residential Property Lending may include Caveat, First mortgage, Second mortgage
* Personal Lending: Caveat, vehicle.

Key lending frameworks

* credit policy
* credit approval
* hierarchy of credit approval.

Common trigger points for lending policy

* activation of policy
* process to initiate action
* escalation triggers.

**Rauemi |** Resources

* Anti-Money Laundering and Countering Financing of Terrorism Act 2009
* Code of Banking Practice 2018
* [Code of Professional Conduct for Financial Advice Services](https://financialadvicecode.govt.nz/wp-content/uploads/2021/03/codeofprofessionalconduct-march2021.pdf)
* Consumer Guarantees Act 1993
* Credit Contracts and Consumer Finance Act 2003
* 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
* Personal Property Securities Act 1999
* Reserve Bank of New Zealand Act 1989
* 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

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| **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  |

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| **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] |
| **Kōrero whakakapinga |** Replacement information | This skill standard replaced unit standards 31875 and 31880.  |
| **Rā arotake |** Planned review date | 2030  |

Please contact Ringa Hora Services Workforce Development Council at qualifications@ringahora.nz to suggest changes to the content of this skill standard.