



Australian Government

**Assessment Requirements for FNSFLT203
Develop knowledge of debt and consumer
credit**

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Performance Evidence

Evidence of the ability to:

- clearly explain the role of credit in the community
- discuss the different types of consumer credit options currently available
- clearly explain the associated implications and risks of the various credit schemes available, as well as the implication of establishing a poor credit reference history.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify and describe the key principles of lending and credit
- describe the role of credit in society
- outline the key role of financial institutions, regulatory bodies, credit reference agencies and consumer advisory bodies that are involved in the provision and management of credit
- list the advantages and disadvantages of credit
- list examples of fixed and revolving credit facilities
- describe the difference between secured and unsecured loans, and the implications of default on secured loans
- describe how to compare fees and costs, and list ways to minimise fees
- list ways to avoid credit card fraud
- define the term 'credit reference report' and describe how to get one
- list the implications of a poor credit rating.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the financial literacy field and include access to:

- office equipment, technology, software and consumables
- internet to source information.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>