



Australian Government

Department of Education, Employment and Workplace Relations

FNSFMB502A Identify and develop complex broking options for client

Revision Number: 1

FNSFMB502A Identify and develop complex broking options for client

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to establish complex or special financial needs for a client, and consider complex issues such as economic and legislative developments and requirements to develop complex broking strategies and solutions for a client.</p> <p>This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.</p>
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Application of the Unit

Application of the unit	<p>This unit may be applied by finance brokers working with clients whose needs may include, but are not limited to:</p> <ul style="list-style-type: none">• commercial loans• chattel leases• Native Title rights and heritage issues• contaminated sites or properties near noxious industries.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify complex broking needs of client	<p>1.1. Special or complex features of a client's situation and objectives are discussed, reviewed and clarified</p> <p>1.2. Risk issues and tolerance are explored and discussed comprehensively and ethically with the client, including unusual risks or requirements, and interdependencies and implications</p> <p>1.3. Risks to the client or organisation are assessed for their impact according to company policy, guidelines and relevant legislation and further questioning and information gathering is engaged as required</p>
2. Research and consider complex broking solutions based on client needs	<p>2.1. Current client situation is analysed to determine opportunities and constraints</p> <p>2.2. Research into loan structures or options is conducted including those which are new or non-standard, if required</p> <p>2.3. Complex financial issues are considered in terms of economic, legislation, taxation, legal, insurance and other implications</p> <p>2.4. Possible loan structures or options, fees and charges are analysed, modelled, prioritised and measured against risk and inappropriate options are rejected</p> <p>2.5. Preliminary options are checked to ensure compliance with relevant Acts, legislation, regulatory and ethical guidelines and are assessed for their ability to successfully achieve the client objectives</p>
3. Select and gather appropriate options and information for client review	<p>3.1. Broking options for review with client are selected and explanatory material developed or obtained</p> <p>3.2. If appropriate, consequences and other issues relating to the broking strategy are considered including referrals to accountant, financial adviser or lawyer where required</p> <p>3.3. Recommendations on risk management strategies are developed and incorporated into materials for the client and description of anticipated fees and charges included</p> <p>3.4. Information on complaints resolution procedures (internal and external) is included in the client information</p> <p>3.5. Broking recommendations and loan structures that will be presented to client are documented according</p>

ELEMENT	PERFORMANCE CRITERIA
	to organisation guidelines and procedures

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- highly developed communication skills to:
 - determine and confirm complex client requirements, using questioning and active listening as required
 - communicate aspects of a valuation result to clients liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- customer service skills such as:
 - providing appropriate contact with client throughout the complex broking process
 - appropriate timing of events
- research and analysis for:
 - accessing, interpreting and analysing complex information to meet client needs
 - interpret results of a valuation and implication on financing proposal
 - identifying key issues for developing strategic options
- well-developed numeracy and IT skills to:
 - access and use appropriate specialist software, organisational templates, spreadsheets and databases
 - access internet information
- well-developed literacy skills to:
 - read and interpret organisational and industry information
 - develop complex financial strategies and plans
 - draft broking options for clients that are comprehensive and clear
 - draft reports setting out research findings and analysis
- organisational skills, including the ability to plan and sequence work

Required knowledge

- Acts and regulations affecting the financial industry
- borrowing risk factors
- environmental legislation impacting on financial services
- heritage property issues and requirements
- native title rights
- products available in the financial services industry
- relevant codes of practice
- requirements related to the disclosure of capacity
- the role of the finance brokers

REQUIRED SKILLS AND KNOWLEDGE

- valuation practices and methodology

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- develop detailed broking options designed to maximise the client's outcomes and reach client objectives which incorporate elements from research
- develop broking options and plans which address complex needs and issues and identify and describe key assumptions on which the plan is based
- provide detailed analysis of research strategies and findings
- test and make appropriate checks on a proposed plan for its integrity and compliance
- assess impacts of taxation, social security, economic and other government policies on client investment and financial requirements.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to economic and financial services product information
- access to specialist software and data

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- verbal or written questioning on underpinning knowledge and skills
- setting and reviewing workplace projects and business simulations or scenarios
- evaluating samples of work
- accessing and validating third party reports

EVIDENCE GUIDE**Guidance information for
assessment**

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Special or complex features</i> may include:	<ul style="list-style-type: none"> • chattel • commercial real estate • flexibility • international purchases • liquidity • products available to the adviser • volatility of expected income or capital growth.
<i>Risk issues</i> may include:	<ul style="list-style-type: none"> • asset allocation and investment spread • borrowing risk and gearing • economic • institutional risk • market and sector risks: <ul style="list-style-type: none"> • economic cycle • fixed interest • property • stock market • risk factors and return expectations of the client • specific product risk • volatility of income and capital.
<i>Legislation, regulatory and ethical guidelines</i> may include:	<ul style="list-style-type: none"> • Consumer Affairs Act • Consumer Credit Code • contract law • Corporations Act • disclosure of any conflicts of interest • full disclosure of remuneration and fees and any other matter that may influence broker recommendations • guarantees of confidentiality • industry codes of conduct and practice • Insurance Act • integrity checks • Life Act • preparation in utmost good faith

RANGE STATEMENT	
	<ul style="list-style-type: none"> • Privacy Act • social security regulations • State and Territory legislation • Taxation Acts • Trade Practices Act • Trust law.
<i>Broking options</i> may include but are not limited to:	<ul style="list-style-type: none"> • direct investments • insurance products • loan products • sources of funding • types of finance.

Unit Sector(s)

Unit sector	Finance/mortgage broking
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		