



Australian Government

Assessment Requirements for FNSBNK512 Assess complex loans

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 4.0.

Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- assess complex loans for at least three clients.

In the course of the above, the candidate must:

- assess the impact of each option on the client's financial circumstances
- comply with relevant legislative, regulatory and organisational requirements pertaining to dealing with clients in difficult circumstances.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- features and benefits of credit products and their application requirements
- complex features of a client's financial situation including:
 - high assets
 - income
 - expenditure requirements
 - complex taxation
 - nature and forms of securities to be taken
 - legal issues
- organisational risk management policy
- different structures available to clients to meet their financial goals including:
 - sole trader
 - partnership
 - company
 - trust – family, unit and hybrid
- partnership, company and trust in relation to:

- financial statements and tax returns
- income, expenditure and accounting treatments
- communication methods between clients, accountants and real estate agents in relation to financial statements and business structure
- financial data including add backs to calculate loan serviceability
- sources of income where multiple entities or structures are included in the client relationship
- financial information needed for data entry into loan calculators to confirm loan serviceability
- risk issues relating to:
 - borrowing risk and gearing
 - specific product risk
 - institutional risk
 - risk factors and return expectations of the client
 - volatility of income and capital
- types of security to be taken for complex loan structures:
 - joint and several personal or related company guarantees
 - multiple mortgages
 - registered company charges
 - second mortgages
 - the involvement of unit or family trusts as either borrowers or guarantors
- relevant legislation including state and territory legislation, charges and taxes.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- legislation, regulation, and organisational policy and procedures relevant to credit risk
- common office equipment, technology and consumables
- client financial profiles
- credit product information
- software systems and data.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

Companion Volume Implementation Guide is found on VETNet -

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