



Australian Government

FNSBNK512 Assess complex loans

Release: 1

FNSBNK512 Assess complex loans

Modification History

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

Application

This unit describes the skills and knowledge required to identify the capacity of a client to meet the terms and conditions of suitable loan products and services available.

It applies to individuals who work with clients with special financial needs and consider complicated issues such as client financial structures and legislative requirements. Individuals apply research and analytical skills to complex and multifaceted scenarios to develop customised solutions for clients.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the relevant regulator for specific guidance on requirements.

Unit Sector

Credit management

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify client borrowing needs	1.1 Identify client needs and any special or complex features 1.2 Evaluate special or complex features of a client's situation against organisational guidelines and procedures 1.3 Assess ability to successfully meet client needs according to applicable legislation, regulation and organisational guidelines and procedures
2. Collate financial documents required to assess client's borrowing needs	2.1 Identify the financial documents required by the credit provider to progress the loan application progress 2.2 Review documents to ensure compliance with organisational guidelines and procedures, and legislative and regulatory requirements

	2.3 Engage in further consultation with the client as required
3. Analyse financial documents and assess risks of the borrowing needs	3.1 Analyse credit information to establish that sufficient evidence of accurate information has been provided 3.2 Identify and evaluate possible risks to determine overall level of risk associated with application 3.3 Identify issues that may require further consideration or consultation with other financial services professionals 3.4 Document risk assessment in accordance with organisational procedures
4. Finalise loan	4.1 Evaluate borrowing request based on assessed information in accordance with organisational risk management policy 4.2 Determine credit terms and limits within organisational credit policy guidelines and advise customers of credit decisions 4.3 Complete credit account administration according to organisational credit policy and timelines, and legislative requirements

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Reading	Analyses and interprets textual information from internal and external sources to determine content relevant to individual client needs and to inform compliant actions
Writing	Processes records and documents strategies using clear, concise and industry specific language for others to interpret and follow
Numeracy	Uses mathematical skills to perform calculations and interpret a range of statistical information and financial data related to credit management activity
Self-management	- Takes full responsibility for following policies, procedures and legislative requirements and identifies organisational implications of new legislation or regulation - Works independently or with others in making decisions to achieve organisational outcomes and strategies
Planning and organising	- Applies systematic and analytical decision-making processes for complex and non-routine situations - Accepts responsibility for planning and sequencing complex tasks and workload, negotiating key aspects with others and taking into account capabilities, efficiencies and effectiveness

SKILL	DESCRIPTION
Problem solving	• Applies judgement skills for making credit risk determinations
Technology	• Uses the main features and functions of digital tools to complete work tasks

Unit Mapping Information

No equivalent unit. New unit.

Links

Companion Volume Implementation Guide is found on VETNet -

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

Assessment Requirements for FNSBNK512 Assess complex loans

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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

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