

MORTGAGE BROKING / FINANCE BROKING COMPETENCIES LIST

Competency List for Mortgage Broking / Finance Broking		Evidence supplied by the student in support of the RPL claim
	Required competencies	Evidence of competence
Operation of Financial Markets	List the primary functions of a financial system	
	Explain the role played by households in the functioning of a financial system and the interdependent nature of saving and borrowing	
	Describe the role played by the banking sector in the Australian financial system	
	List and describe bank services available to meet consumer needs in the five areas of household financial activity	
	Identify non-bank financial institutions by their main characteristics and develop an understanding of the functions they perform	
	Describe the roles key personnel play in the provision of advice in the Australian financial services industry	
The Regulatory Framework	List and describe the different types of finance	
	Describe the purpose of the Uniform Consumer Credit Code (UCCC) and summarise the five key areas it covers	
	Identify the difference between regulated and unregulated loans	
	Explain the purpose of the Code of Banking Practice	
	List and describe corporate responsibilities as detailed in the Trade Practices Act 1974	
	List the requirements for the gathering, processing and dissemination of information about individuals in accordance with the Privacy Act 1988	
	State the legal requirements of financial institutions and intermediaries detailed in the Financial Transaction Reports Act 1988 (FTRA)	
	List the product areas affected by the obligations imposed by the Anti- Money Laundering and Counter Terrorism-Funding Act 2006	
	Summarise the main areas of the Financial Services Regulation affecting lending institutions and intermediaries	
	Summarise compulsory disclosure of commission legislation	
	Explain the role of the Australian Securities and Investment Commission (ASIC), the Australian Prudential Regulation Authority (APRA), and the Consumer Credit Legal Centre (CCLC) in the regulation of the mortgage industry	
	Describe the role played by industry professional bodies in the mortgage industry	
	Explain the purpose of conflict resolution procedures and identify the schemes currently operating in the finance industry	

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	Explain the role of mortgage brokers and list their responsibilities regarding conflicts of interest and disclosure obligations	
	Identify the types of fraud which occur in the mortgage industry, explain the impact on the industry, and describe how fraud can be detected and prevented.	
The Australian Economic Environment	Define and use key economic terminology	
	Apply purchasing power parity theory to determine the relative value of currencies	
	Summarise the likely effect changes in the exchange rate will have on the economy and describe their relevance to financial advice	
	Explain the interrelated nature of key economic indicators and briefly describe the economic changes that they measure	
	Describe the impact of exchange rate movements on the economy.	
	Summarise the role of the Reserve Bank in the Australian financial system and describe how it implements the Government's monetary policy	
	Describe the impact of Government monetary policy upon the domestic economy	
	Outline the likely effect of particular economic events on interest rates and exchange rates	
	Analyse the key characteristics of each phase of the business cycle to interpret a given situation.	
Understanding Loan Products	Identify the components of a residential property loan	
	List and explain the factors which influence interest rate changes	
	Describe the difference between Interest Only (IO) and Principal and Interest (P and I) payments	
	Identify the four elements of P and I repayments	
	Calculate Interest Only (IO) payments	
	Calculate Principal and Interest (P and I) repayments using a financial calculator, a loan repayment table and a computerised spreadsheet	
	Calculate fortnightly and weekly repayments	
	List and explain the key features of a home loan	

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	List and explain the different types of home loans	
	Describe and explain when non-conforming loans and vendor finance may be used	
	Explain the use of offset accounts	
	List and describe the State and Federal schemes which provide grants or financial assistance to prospective home buyers	
	List the requirements for loans for non-resident and foreign borrowers	
	Explain the role of the Foreign Investment Review Board and how it impacts on the mortgage industry.	
Processing Loan Applications	List and explain the five 'C's of credit	
	List and apply the principles of lending	
	Explain general lending limits and calculate loan to value ratios (LVRs)	
	Recall the factors which determine serviceability and calculate borrowing capacity	
	Determine a prospective borrower's level of comfort	
	List, explain and calculate all costs associated with a housing loan	
	Explain and list the reasons for conducting a client needs analysis	
	List and describe the steps involved in the loan process	
	Identify the different types of borrowers	
	Prepare and submit loan applications for PAYG borrowers.	
	Prepare and submit loan applications for self-employed and corporate borrowers	
	Describe and list the considerations involved in loan structuring	
	List and explain financial strategies using mortgage finance.	

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Effective Business Management for Finance Professionals	Describe the different business models used by brokers	
	Explain how income is generated in the broking industry and how brokers are remunerated	
	Explain clawback provisions.	
	List the benefits of planning, describe the planning process and prioritise business activities	
	Establish financial goals and determine income streams	
	Prepare and implement a personal business plan	
	List and describe the different methods of prospecting	
	Explain the purpose of conducting loan interviews	
	Explain how to conduct interviews face to face and over the phone	
	Demonstrate interview and closing techniques	
	Explain the reasons for maintaining records	
Explain how to set activity goals.		

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Only those applicants who wish to obtain Recognition of Prior Learning towards our Finance Broking Course in Western Australia need complete section 7 of this form. All other applicants need complete only the first 6 sections.

Western Australia Licensing Requirements		Evidence supplied by the student in support of the RPL claim
	Required competencies	Evidence of competence
	Describe the purpose of the Finance Brokers Control Act 1975 and summarise the key areas it covers	
	Explain the role of the Commissioner for Consumer Protection in regulating the activities of finance brokers in Western Australia	
	List and describe the licensing requirements for finance brokers in Western Australia	
	List the Regulations of the Finance Brokers Control Act	
	Explain the purpose of the Code of Conduct for Finance Brokers and how it affects their business activities	
	Outline how maximum remuneration scales affect commission	
	Explain the requirements for establishing and maintaining trust accounts	
	Identify the key areas of the Door to Door Trading Act	
	List and explain the different types of vehicle and equipment finance	
	Calculate leasing and commercial hire purchase payments.	

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