

<<FINSIA CPB Consumer Credit>>

Storyboard Revision History

Date	Task	By	Version
<DD/MM/YYYY>	<Task Details>	<ID Name>	1.00
21/06/2018	Review	Chuck	1.1
29/06/18	Amendments made after review	Dimity	1.2
29/06/2018	Final Review	Chuck	2.0
05/07/2018	Response to designer comments	Chuck	3.0
06/07/2018	Final review	Chuck	5.0
18/7/2018	Amendment made after prototype	Tania	6.0

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Global Notes for Development Team

- All notes within the slides
- Slide total – 23 slides
- Narration word total – Approximately 2,227

<Section 1: Introduction>

<Insert
Counter>

Page Title	Consumer Credit Overview	Type	Text and Static Image / Graphic	Number	<1>
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio WORDS 100	On-Screen Text (OST)		Internal Development Notes	
1.	<p>Welcome to the e-learning component of the consumer credit course.</p> <p>By the end of the e-learning module you will be able to DEFINE and EXPLAIN the key elements of consumer credit and DISCUSS the insights they provide to bankers and retail customers.</p> <p>The aim of this unit is to reinforce the key learning elements of the Consumer Credit textbook.</p> <p>You are a professional retail banking specialist, so we know that you have core knowledge of the fundamental products and principles of lending already.</p> <p>Therefore, we want to highlight the core issues of consumer credit for COMPLEX customer situations.</p>	<p>Key outcome:</p> <ul style="list-style-type: none"> Define and explain key components of consumer credit Understand and discuss the insights available by applying the key components of consumer credit <p>Aim:</p> <ul style="list-style-type: none"> Reinforce key elements of the textbook Go beyond fundamental principles of lending Highlight the core issues of consumer lending 		<p>Have the key outcome appear immediately.</p> <p>Then have the other text flash on – come in – at the points indicated by the spacing in the OST.</p> <p>Use some standard learning outcome icons, such as a magnifying glass against each bullet point. Or a question mark. Or a tick. Examples</p>	

	Let's begin.	<ul style="list-style-type: none"> • Manage complex customer situations with professionalism and integrity • • Understanding and prioritising customer needs 	
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Page Title	Consumer Credit Outcomes	Type	Text and Static Image / Graphic	Number	<2>
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio WORDS 113	On-Screen Text (OST)		Internal Development Notes	
2.	By completing this module, you will be able to answer the following key questions:	Core outcomes		Have each numbered OST point appear as the question is being	

	<ul style="list-style-type: none"> • WHY is a range of information needed to assess the appropriateness of a loan for a customer? • WHAT are the various income and revenue streams available to assess a range of loan applications, particularly for non-salary earners? • WHAT types of security can be used to support consumer loans? • HOW can you act professionally and ethically when presented with a customer facing financial difficulty? • WHAT is responsible lending, AND • WHY you need to follow responsible lending principles – for every customer, every time. <p>Let's continue!</p>	<ol style="list-style-type: none"> 1. The range of information required to assess loan appropriateness, and why it is needed 2. Range of income and revenue streams available for applications 3. Type of security used for secured loans, including third party security 4. Acting professionally and with integrity always, including dealing with customers facing financial difficulty 5. Principles of responsible lending 	<p>asked, at the synching point shown in the OST spacing.</p> <p>Again, this is a relatively text heavy introduction.</p> <p>Introduce a standard person character here that represents our learning. Character should be a man, aged about 30, dark hair, olive skin (Italian Australian looking). Let's call our character JOHN.</p> <p>Have JOHN appear and point at each numbered bullet point as it appears with the text.</p>
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<Section 2: Information for consumer lending applications>

<Insert Counter>

Page Title	Range of information to collect	Type	Text and Static Image / Graphic	Number	3
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio – 103 WORDS	On-Screen Text (OST)		Internal Development Notes	
3.	<p>You have a legal and business obligation to take reasonable steps to verify ALL the information a customer provides to support their application for consumer credit.</p> <p>The more information you can collect verifying their financial position, the stronger your basis for the loan decision.</p> <p>So, what does this mean?</p> <p>Well, you must request, receive and then review information which:</p> <ul style="list-style-type: none"> Provides and confirms personal identification 	<p>Collect and review a range of supporting information to support loan applications.</p> <p>Why? Meets obligation to take reasonable steps to verify the client information.</p> <p>Why? The more information collected, the stronger the basis for the loan decision.</p> <p>Request. Receive. Review:</p> <ul style="list-style-type: none"> Personal identification Loan serviceability – proof of income from a variety of sources for the self-employed which 		<p>Picture of a text checklist with text and check points. Picture below has blank line entries, graphics may want to insert text bullet points that match the OST.</p>	

- Assesses loan serviceability – namely income and employment status
- Verifies loan security
- Determines credit history, any supporting other relevant information.

If you do **not** REQUEST, RECEIVE and REVIEW all the required supporting information. The loan request cannot proceed.

forms a strong and supported view of realistic income

- Loan security documents – including a range of documents for third party security
- Independent enquiries for credit history

CHECKLIST

<input checked="" type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input checked="" type="checkbox"/>	_____
<input checked="" type="checkbox"/>	_____
<input checked="" type="checkbox"/>	_____
<input type="checkbox"/>	_____

When the OST text says Request. Receive. Review, have those three bolded words fly in dramatically under the label Information Checklist.

Page Title	Self-employed range of information – Michelle	Type	Text and Static Image / Graphic	Number	4
Screen Layout					
Character of Michelle next to the OST – see development notes.					
Event	Audio 98 WORDS	On-Screen Text (OST)		Internal Development Notes	
4.	<p>The more information you can collect, the better.</p> <p>A wide range of information – especially in relation to loan serviceability – provides a strong basis for your loan decision. This is especially the case when the customer is self-employed, has bumpy income, or has many and varied sources of income.</p> <p>Meet Michelle.</p> <p>She has been a self-employed marketing specialist for five years. She operates under a partnership structure.</p> <p>Michelle wants to access the equity in her home to purchase an investment property.</p> <p>Let's take a look at the range of information she needs to supply to support her loan request.</p>	<p>Michelle is a marketing specialist.</p> <p>She is self-employed and in a business partnership and enquires about an investment property loan.</p> <p>What information does she need to provide to the bank?</p>		<p>Please do a Michelle character for the visual. I suggest Michelle be about 40, blond, glasses, sophisticated looking, business attire.</p> <p>Have her doing something marketing and public relations related, but active so shaking hands with a client, or pointing out something on a laptop, or looking at a social media site on her phone.</p>	

Page Title	Range of information – Learning check	Type	Textual D&D to Sequence	Number	<5>
Question Stem	Consider the types of information needed to assess the appropriateness of Michelle's application.				
Instruction	Drag the pieces of information Michelle will need to supply and press submit.				
Drag Options (Please Shuffle)	<Insert drag options in correct sequence here.> Two forms of prime personal identification Partnership taxation return for last financial year Individual taxation returns for most recent previous two tax years Individual Notice of Assessment for most recent previous two tax years Most recent superannuation statements Profit and loss statement for last two years Balance statement for last two years Residential home valuation documents				
Correct Feedback	That's right. As a self-employed individual operating under a partnership structure, Michelle will be required to provide all of the listed items.				
Incorrect Feedback	That's incorrect. As a self-employed individual operating under a partnership structure, Michelle will be required to provide all of the listed items.				
Visual Feedback	INSTRUCTION TO DEVELOPERS: In this sequence, they need to select ALL THE OPTIONS, but they do have to be in any order in the sequence – they visual indicators appear if they have not selected all of them, but the actual sequence does not matter. Please show visual indicators for correct/incorrect drops. On click of Show Me, the correct drops remain in place with visual indicators for correct, and the incorrect drops get animated into the right place in the sequence.				
					<Insert Counter>

<Section 3: Loan serviceability>

Page Title	Types and analysis of income streams	Type	Text and Static Image / Graphic	Number	6
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio	On-Screen Text (OST)		Internal Development Notes	
5.	158 WORDS <p>Customers must be able to show they can afford – or service – the loan. Being able to service the loan is integral to loan approval.</p> <p>All sources of income and revenue streams received by the customer are assessed to determine affordability. Such as employment income, self-employment income, investment income, social security benefits and other income. Other income may also include royalties and income protection payments.</p> <p>There are advantages and disadvantages associated with each type of income stream.</p>	<p>Loan servicing is number 1 priority.</p> <p>Affordability is the key for all applications.</p> <p>Income/revenue streams are:</p> <ul style="list-style-type: none"> • Employment • Self-employment • Investment • Social security benefits • Other income (e.g. royalties and income protection protection payments) <p>Advantages and disadvantages for each type of income.</p> <p>Examples:</p>		Image of income streams for streams of cash, for example	

For example, employment income is very straightforward to prove and assess; however, it may be in a volatile area, such as manufacturing, so the risk of losing that income may be higher.

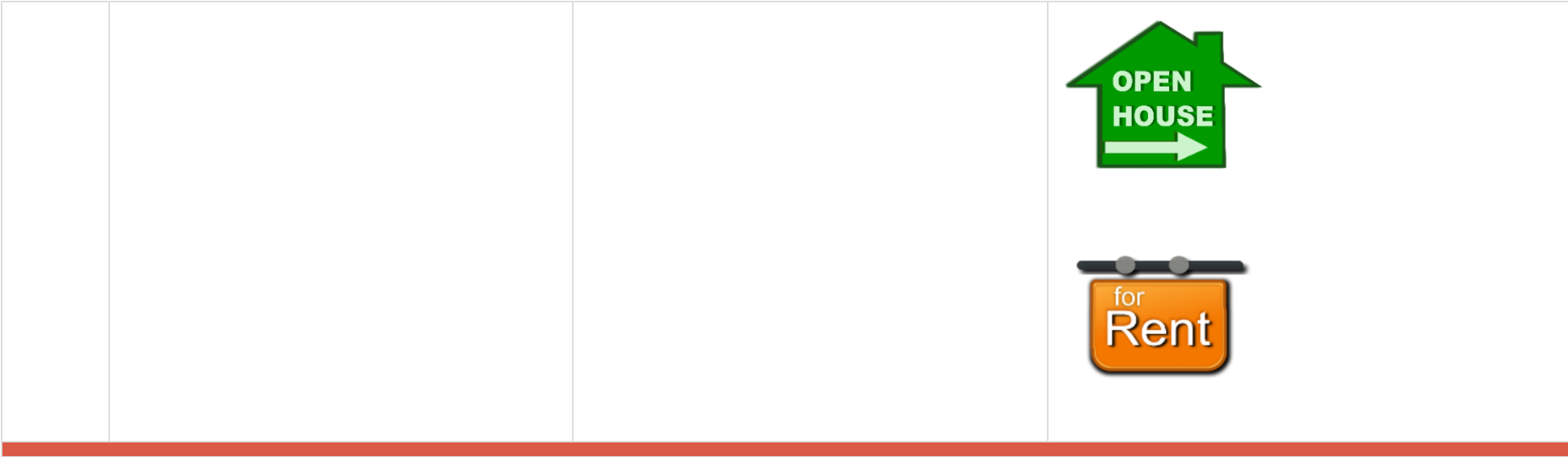
Another example is rental income. There are risks with using rental income as a primary source of income, as tenant agreements may not be extended with new tenants not readily available. Banks often have specific policies defining what forms of income can be used and also on what terms.

- Employment income in volatile area
- Investment income e.g. secondary source required



[This Photo](#) by Unknown Author is licensed under [CC BY](#)

Image of manufacturing or a house/rental. For example.




<Insert Counter>

Page Title	Self-employed & income complexity	Type	Text and Static Image / Graphic	Number	7
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio – 59 WORDS	On-Screen Text (OST)		Internal Development Notes	
6.	However, the largest area of complexity is determining the income and analysis of self-employed customers.	Self-employed and business income is a complex area. Meet Pedro.		Character of Pedro – he is South American looking and should be wearing electrical toolbelt. He should be putting his hand to his	

	<p>Pedro is a self-employed electrician with two full-time staff members.</p> <p>Pedro will be considered self-employed for the loan application if he is a:</p> <ul style="list-style-type: none"> • Sole trader • A partner in a partnership • A company director in proprietary limited company • A trustee of a name trust beneficiary 	<p>He is a self-employed electrician.</p> <p>What is his business structure?</p>	<p>chin, looking like he is pondering his business structure.</p>
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<Insert Counter>

Page Title	Pedro and his income stream	Type	Text and Static Image / Graphic	Number	8
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio WORDS 55	On-Screen Text (OST)	Internal Development Notes		
7.	Our electrician Pedro is an owner under a proprietary limited structure i.e. company. He therefore has various sources of income and revenue streams which he can include in the loan assessment.	<p>Pedro is the director of the Pty Ltd company under which the business operates.</p> <p>Range of income streams available to support affordability.</p>	<p>Our character Pedro is looking a range of options available to him.</p> <p>So, have Pedro either a) simply talking to this accountant character, or b) from an indication of choices, so something like a plate of choice in front of him. For example, this plate of fruit is an example</p>		

	<p>These include salary, bonuses, dividend payments, shares or share options, director's fees, and interest payments on loans made by the owner to the company.</p>	<p>What can he choose?</p> <ul style="list-style-type: none">• Salary• Bonuses• Dividend payments• Shares/share options• Director's fees• Interest payments on loans to the company	<p>of someone being presented with choice, so you could have our pondering Pedro presented with his choices.</p> 
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				<Insert Counter>	
Page Title	Pedro and his income stream continued	Type	Text and Static Image / Graphic	Number	9
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio132 WORDS	On-Screen Text (OST)		Internal Development Notes	

8.	<p>Pedro's self-employed status makes the assessment of his income more complex.</p> <p>There is generally a risk of higher income variability with self-employed customers, so banks and lenders have additional requirements for the assessment of their income and revenue.</p> <p>An added challenge for complex income streams is that business owners, such as Pedro, or professionals like doctors, structure their affairs through trusts and private companies, so that the customer's entitlement to income and assets maybe under-stated. This in turn can negatively impact on loan serviceability.</p> <p>You must 'look through' the ownership structures of the customer to determine their actual income. This will mean considering retained income, and any other relevant add-backs.</p> <p>An add-back is expenditure that reduces taxable income but doesn't necessary lower actual income. For example, depreciation of taxable business assets.</p>	<p>Self-employed</p> <p>= more complexity</p> <p>= additional lender requirements for self-employed income</p> <p>The different types of businesses structures means income can be retained or reinvested in the business.</p> <p>This can impact negatively on serviceability if not reviewed adequately.</p> <p>Tips for assessing income:</p> <ul style="list-style-type: none"> • Look through ownership structures • Consider retained income • Add in add-backs <p>What is an add-back?</p> <ul style="list-style-type: none"> • Reduces taxable income but doesn't lower actual income e.g. Depreciation of taxable business assets. 	<p>Have our learning character – JOHN – be sitting at a table with PEDRO and have the OST text appear on a whiteboard behind them as we narrate it though.</p>
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<Insert
Counter>

Page Title	Pedro and his income stream continued		Type	Interactive – Click to Reveal	Number	10
Screen Layout						
<Insert reference screenshot for page end state or other visual references here.>						
Event	Audio165 WORDS	On-Screen Text (OST)			Internal Development Notes	
1.	For Pedro’s application you need to assess not only his taxable income but his full eligible income. This means that add-backs must be included.	For the self-employed, you need to assess the full eligible income (not just taxable income). <Clickable tabs> Financial statements Other financial information Add-backs Additional information				
2.	Click on the tabs below to reveal how Pedro can establish his income.	How will Pedro establish income?			Add instruction text and enable interactive elements.	
Financial statements						
1.1	Pedro will need to provide financial statements for the last two years.	Financial statements				
Other financial information						
2.1	Pedro will need to provide a wide range of other financial information for the last two years, such as tax returns, ATO Notice of	Tax returns ATO notice of assessment				

	Assessments, and written advice from his tax agent/accountant confirming income.	Written advice from accountant/tax agent Bank statements Business Activity Statements Company schedules	
Add-backs			
3.1	Next, remember to consider add-backs. Examples include additional superannuation contributions, depreciation on taxable assets, and net profits retained under Pedro's company structure.	Additional superannuation contributions Depreciation on taxable assets Retained earnings (net profits) in company Interest paid on business and investment loans Income distributed to other beneficiaries (if there is a trust)	
Additional information			
4.1	Additional information may be required from accountants, tax agents and legal agents to gather together all relevant income under various ownership structures, including any retained income and trust distributions.	Letters from accountants, tax agents & lawyers	

					<Insert Counter>
Page Title	Loan serviceability - Learning check	Type	Textual MRQ (Multi-Select)	Number	<11>
Question Stem	Which of the following items located within the profit and loss statement can be included as income for the purposes of calculating loan serviceability?				
Instruction	Select the correct options and Submit.				
Options	<ul style="list-style-type: none"> Gross profit 				

	<ul style="list-style-type: none"> • Net profit • Wages paid to employees • Insurance premium payments • Total expenses • Total sales • Cost of goods sold • Bank fees and charges • Accountant fees • Taxable depreciable assets
Correct Feedback	That's right. Net profit and taxable depreciable assets are add-backs and can be included in the assessment of income serviceability. Gross profit is not included, as it still includes all the expenses which must be deducted for the net profit to the calculated. Cost of goods sold is incorrect as this does not include cost of sales. All the other items listed are expenses.
Incorrect Feedback	That's incorrect. The only correct options are net profit and taxable depreciable assets. This is because these are add-backs and can therefore be included in the assessment of income serviceability. Gross profit is not included, as it still includes all the expenses which must be deducted for the net profit to the calculated. Cost of goods sold is incorrect as this does not include cost of sales. All the other items listed are expenses.
Visual Feedback	<p>Please show visual indicators for correct/incorrect selection(s) and answers.</p> <p>PLEASE INCLUDE A GRAPHIC OF A SAMPLE P&L that has all those content inclusions listed on it. Something like the items listed in a spreadsheet, maybe a little graph next to it.</p>

Page Title	Types of security	Type	Text and Static Image / Graphic	Number	12
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio164 WORDS	On-Screen Text (OST)		Internal Development Notes	
9.	<p>Security is the underlying asset pledged by the borrower to guarantee the loan. If the loan cannot be repaid, then ownership of the underlying security passes to the lender.</p> <p>Security is the second most important element of the loan assessment process – but remember it comes after loan serviceability. The core outcome for the lender is for the borrower to repay the loan and avoid having to realise on the security.</p> <p>There are various types of security which can be used for secured loans. The value of each type of security used is calculated using a security discount factor and is often referred to as the lending margin. This is expressed as a percentage of the market value of the security.</p> <p>The main types of security used are residential property, guarantees, investments, and cash deposit accounts. Less commonly used types of security are the value of a permanent life insurance policy, and valuables or collectibles.</p>	<p>Types of security and lending margin</p> <ol style="list-style-type: none"> 1. Residential property – 70% – 80% 2. Personal guarantee – 100% for supported 3. Investments (e.g. Equities) – 50% 4. Cash deposit account – 100% 5. Permanent life insurance policy – 70% – 80% 6. Motor vehicles – 50% – 70% 7. Valuables and collectibles – variable % 		<p>Have our character, JOHN, looking at one or two icon images that would suggest this type of security.</p> <p>E.g. Cash icon, and a home icon, piece of art or collectable.</p> <p>Each point should transition onto the screen at regular intervals over the narration, e.g. Every 5 seconds.</p>	

	Motor vehicles are commonly used as security for car loans.		
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<Insert Counter>

Page Title	Exploring third party security	Type	Text and Static Image / Graphic	Number	13
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio97 WORDS	On-Screen Text (OST)		Internal Development Notes	
10.	<p>A key consideration in more complex cases is whether the security being provided is DIRECT security or THIRD-PARTY security.</p> <p>Direct security is where the loan applicant provides the security to support their own borrowing. The most common practice is where the security underlying a residential home loan is the home being purchased.</p> <p>Third party security is where a different individual provides the security for the borrower of the loan. For example, Petra may agree for her investment in a managed fund to</p>	<p>What is direct security?</p> <p>Where the loan applicant provides the security to support their borrowing.</p> <p>The security for a residential home loan is the borrower's home.</p> <p>What is third party security?</p> <p>Where a different person to the loan application provides the security for the borrower of the loan.</p>		<p>Transition point of OST is where indicated next to the audio.</p> <p>Have an image of a character Petra and then an arrow to the middle showing an ASX graph trending and then an arrow pointing to a character who looks a lot like Penelope. You could label it as</p>	

	act as security against a secured personal loan being taken out by her sister, Penelope.	For example, Petra 's managed fund acts as security for Penelope's secured loan.	Petra → Managed Fund → Penelope
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<Insert Counter>

Page Title	Guarantor & undue influence		Type	Interactive – Click to Reveal	Number	14
Screen Layout						
<Insert reference screenshot for page end state or other visual references here.>						
Event	Audio – 243 WORDS	On-Screen Text (OST)	Internal Development Notes			
1.	<p>Bill wants to purchase an investment property but cannot provide security for the loan.</p> <p>He has asked his father Bing to act as the third-party personal guarantor for the loan. Bing has been living in Australia for two years and has limited english. Bill normally acts as his interpreter.</p>	<p>Bill asks his father Bing to guarantee his investment loan.</p> <p>There are considerations for both Bill and Bing.</p> <p><Clickable tabs></p> <p>Joint and several liability</p> <p>Undue influence</p> <p>Vulnerable client</p>	<p>Characters of Bing and Bill.</p> <p>Note that Bing is an Anglo-Chinese name. Bing and Bill should be Australian-Chinese.</p> <p>Bing and Bill characters required here – looking at each other or talking to each other.</p>			
2.	<p>Acting as guarantor is not considered straightforward and may place Bing in a vulnerable position.</p>	<p>Click on each of the tabs to find out what Bing needs to consider before going guarantor.</p>	<p>Add instruction text and enable interactive elements.</p>			
Joint and several liability						

1.1	<p>Joint and several liability does not apply.</p> <p>Bill is the only borrower for the loan, so he is liable for the debt.</p> <p>However, Bing is at risk of losing the underlying security if Bill defaults.</p>	<p>Given Bill is the sole borrower and applicant, joint and several liability does not apply.</p> <p>As the sole borrower Bill is liable for the regular repayment of the debt.</p> <p>If Bill defaults, Bing can expect to lose the underlying security he provided.</p>	
Undue influence			
2.1	<p>Undue influence is where one party – in this case Bill – influences another party – in this case Bing – to do something they would not normally do.</p> <p>It's important to consider if Bill is pressuring Bing to act as guarantor.</p> <p>You must advise Bing to seek independent legal advice, without Bill being present, before he can act as guarantor. It's also important that an independent translator be present.</p>	<p>Undue influence may apply.</p> <p>Could Bill be placing pressure on Bing to secure the loan and not informing him adequately of the risks when he translates the information?</p> <p>Bing must seek independent advice including access to an independent translator.</p>	
Vulnerable client			
3.1	<p>Bing may be classified as vulnerable client, if Bill is found to be exerting undue influence over Bing in relation to acting as guarantor. He is at greater risk due to his lack of English and the fact that Bill is his interpreter.</p> <p>For additional guidance recommend you refer to the ASIC vulnerable client's checklist. You</p>	<p>Bing may be a vulnerable client.</p> <p>Greater risk due to lack of English.</p> <p>Greater risk due to Bill being interpreter.</p>	

	should also ask probing and open-ended questions of Bing – maybe through a translator – to establish if he is a vulnerable client.	Refer to ASIC checklist. Ask open-ended questions directly to Bing.	
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<Insert Counter>

Page Title	Security – Learning check	Type	Textual True/False	Number	15
Question Stem	Bing is at risk of being unduly influenced by Bill to act as guarantor for the loan due to their father/son relationship, Bing's lack of English, and the fact that Bill is acting as his translator.				
Instruction	Is this true or false? Select the correct option and Submit.				
Options	<ul style="list-style-type: none"> o True o False 				
Correct Feedback	That's right. Those three factors – father/son relationship, lack of English, and Bill being translator – all add to the risk of undue influence existing.				
Incorrect Feedback	That's incorrect. The three factors listed are all risk factors for undue influence existing.				
Visual Feedback	Please show visual indicators for correct/incorrect selection and answer.				

<Section 5: Financial difficulty>

<Insert Counter>

Page Title	Warning signs of financial difficulty	Type	Interactive – Click to Reveal	Number	16
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio56 WORDS	On-Screen Text (OST)		Internal Development Notes	

1.	<p>A customer will generally show warning signs of being in financial difficulty.</p> <p>You need to be alert to these signs, as early intervention is by far the best strategy with customers who may need financial support.</p>	<p>Warning signs</p> <p><Clickable tabs></p> <p>Transactions change Unauthorised account excesses Overdraft facility use Credit card use Bank disputes Failure to meet loan repayments Limited or no communication with the lender</p>	<p>Warning sign learning icon.</p> 
2.	<p>Click on each of the warning signs to reveal what they may be indicating about a customer in financial difficulty.</p>	<p>Click on each warning sign to find out more.</p>	<p>Add instruction text and enable interactive elements.</p>
Transactions change			
1.1		<p>Transaction behaviours within the bank account change.</p> <p>Frequent requests to increase limits.</p>	<p>No audio the warning signs clickable tabs.</p>
Unauthorised account excesses			
2.1		<p>Unauthorised excesses on accounts and/or loan facilities</p>	
Overdraft facility use			
3.1		<p>Hardcore debt levels form on the overdraft with the account no longer fluctuating into credit.</p>	



Credit cards use			
4.1		Only the minimum repayment is made. Makes late or partial payments.	
Bank disputes			
5.1		Disputes with the bank over payments in the account, and customer may choose to withhold payment.	
Failure to meet loan repayments/arrears			
6.1		Failure to meet the loan repayments and showing a pattern of being in arrears.	
Limited/no communication with lender			
7.1		Customer doesn't respond to outbound calls, overdue notices or bank communications.	

<Insert Counter>

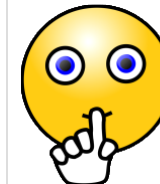
Page Title	Financial difficulty –Learning check	Type	Textual MCQ (Single-Select)	Number	17
Question Stem	<p>John has missed two home loan repayments in a row, with no explanation. The bank has called him twice and he has not replied. He has also recently applied for a second credit card facility.</p> <p>Which of the following statements best summarises his current position?</p>				
Instruction	Select the correct option and Submit.				
Options	<ul style="list-style-type: none"> John is in severe financial hardship and risks defaulting on his loan John is displaying warning signs of entering into financial difficulty and may need assistance John is close to personal insolvency, and his case needs to be referred to the intensive care unit John is not in financial trouble, he just has not got his personal administration under control 				

Correct Feedback	That's right. John is not yet in severe financial hardship, nor is he close to personal insolvency. We cannot assume that John is not encountering financial difficulty, as he is not answering any calls from the bank to explain his situation.
Incorrect Feedback	That's incorrect. John is displaying signs of financial difficulty, as he has defaulted on his loan payment twice and he has not contacted the bank to provide an explanation.
Visual Feedback	Please show visual indicators for correct/incorrect selection and answer.

<Insert Counter>

Page Title	Addressing the warning signs	Type	Text and Static Image / Graphic	Number	18
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio88 WORDS	On-Screen Text (OST)	Internal Development Notes		
11.	<p>When a customer is demonstrating the warnings signs of entering financial difficulty, it's important to use your engagement skills and provide professional customer service to understand their needs and seek options for financial support.</p> <p>This is because early intervention is by far the best strategy with any personal customer showing financial strain.</p> <p>As a professional and trusted banker, your best solution is to firstly, identify any symptoms of financial trouble, and secondly, intervene early</p>	<p>It is essential to draw upon your range of customer service and engagement skills when discussing options with customers.</p> <p>Why?</p> <ul style="list-style-type: none"> • Early intervention is best • Identify symptoms of financial trouble • Intervene early to try and resolve the problem before it deteriorates further and becomes unrecoverable 	<p>Give a range of icons that show customer service skills (the same icons we use in Chapter 5 text in the customer engagement toolbox). I reproduce the ones I provided in the text here, these may have been changed by graphic designer in final course so you should use those.</p>  		

so the bank can help the customer before they enter into loan default territory.



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Counter
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Page Title	Financial difficulty early intervention	Type	Text and Static Image / Graphic	Number	19
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio	On-Screen Text (OST)	Internal Development Notes		
12.	113WORDS	There are a range of early intervention options.	ANIMATION FOR THIS SLIDE:		

<Insert reference screenshot for page end state or other visual references here.>

Event	Audio108 WORDS	On-Screen Text (OST)	Internal Development Notes
13.	<p>Agnes is the principle breadwinner and has two dependent children. She has a home loan and nominal savings and an excellent history of loan repayments.</p> <p>Agnes has just lost her job and has little to no entitlements. She is unable to make her home loan payment this month and possibly the next few months.</p> <p>You meet with Agnes and suggest a payment moratorium over an agreed term. She has to enter into a formal financial hardship agreement to apply for this solution.</p> <p>A payment moratorium stops loan repayments for a defined period. There are no default fees charged during the formal moratorium period, or during the hardship application.</p>	<p>Meet Agnes.</p> <p>Two children, home loan and principle breadwinner.</p> <p>Agnes has lost her job and cannot make her current home loan payment and possibly for the next few months.</p> <p>You recommend Agnes enters a formal financial hardship agreement and is given a payment moratorium.</p> <p><Tab> Payment moratorium. <Click to reveal payment moratorium.></p> <p>Stops loan repayments for a defined period.</p> <p>No default fees charged during this period.</p>	<p>Agnes character to be used here. Perhaps with her two children, standing outside her home looking stressed.</p> <p>TAB for payment moratorium here.</p>

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<Section 6: Responsible lending>

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Page Title	Responsible lending obligations	Type	Text and Static Image / Graphic	Number	21	
Screen Layout						
<Insert reference screenshot for page end state or other visual references here.>						
Event	Audio	On-Screen Text (OST)		Internal Development Notes		
14.	<p>134 WORDS</p> <p>All Australian credit licensees are legally obliged to follow the responsible lending conduct obligations, which are covered in the National Consumer Credit Protection Act of 2009.</p> <p>Under this Act, all banks and lenders must follow a process to ensure that the loan is “not unsuitable” for the customer.</p> <p>A loan is deemed as being “not unsuitable” if it:</p> <ul style="list-style-type: none"> • Meets the customer needs and objectives, and • The customer can repay the loan without experiencing substantial hardship. <p>The Australian Securities and Investment Commission’s Regulatory Guide 209 sets out the three key steps that you must follow to comply with the responsible lending obligations.</p> <p>Click on the tabs to reveal the steps.</p>	<p>Responsible lending obligations must be followed.</p> <p>Contained in NCCP Act 2009.</p> <p>Key obligation: The loan is considered “not unsuitable” for the customer.</p> <p>ASIC RG209 outlines the reasonable lending obligations.</p> <p><BIG BUTTON> Step 1 < BIG BUTTON > Step 2 < BIG BUTTON > Step 3</p>		<p>For this slide, have an Image of law scales to Show justice being treated, Or another legal and Compliance image.</p> <p>There are TWO options you Can choose for the rest of This slide:</p> <p>1. HAVE three BIG TAB buttons to be inserted here. They can either click to</p>		

	<p>Additionally, you have an obligation to act efficiently, honestly and fairly, as well as ensuring that customers are not disadvantaged by any conflict of interest.</p>	<p>Step 1: Make reasonable enquiries of customer's financial situation, and their needs and objectives.</p> <p>Step 2: Take reasonable steps to verify customer's financial situation.</p> <p>Step 3: Make a final assessment about whether the consumer credit contract is "not unsuitable" to the customer. This decision is based on Step 1 and Step 2.</p>	<p>reveal each step (like an interactive slide) or just have the Step as a big visual button and the matching text beneath it, (note the TAB text is not audio scripted – it is just text they see on the screen While the narration is said.</p> <p>OR</p> <p>2. Insert an INFOGRAPHIC INSTEAD OF ALL THE GREEN OST TEXT starting From Step 1 to the end. I have inserted a mock up Of an infographic below.</p>	
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Page Title	Applying responsible lending	Type	Interactive – Click to Reveal	Number	22
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio	193 WORDS	On-Screen Text (OST)	Internal Development Notes	
1.	<p>Adhering to the responsible lending obligations is not only a legal requirement in Australia, it is also considered best practice.</p> <p>Following these principles will ensure that you are providing the best possible customer service every time you consider a request – placing the customer first, every time.</p>		<p>The following responsible lending principles focuses on key areas of consideration.</p> <p>C C C C P A R T S</p>		
2.	<p>There are several well-known mnemonics you can follow to ensure that all steps of responsible lending are being met.</p> <p>The mnemonic we will consider is CCCC PARTS. As you click on each letter</p>		<p>What does CCCC PARTS stand for? Click on each the letters below to find out.</p>	<p>Each interactive element is just one big letter that the click on to reveal the word.</p> <p>The narration is used to describe the revealed word.</p>	

	below, each corresponding consideration will be revealed.			
C				
1.1	Character – does the customer have integrity?	Character		
C				
2.1	Capability – they may have the intent to repay the loan, but do they have the capability?	Capability		
C				
3.1	Capital – how much can the customer contribute? i.e. The deposit	Capital		
C				
4.1	Connections – is the customer a better risk because of a connection with an existing valued customer?	Connections		
P				
5.1	Purpose – is the loan purpose realistic, acceptable and viable?	Purpose		
A				
6.1	Amount – is the loan for the correct amount, proportionate and verified?	Amount		
R				
7.1	Repayment – can the customer service the loan?	Repayment		
T				

8.1	Terms – this is actually about the risk versus the reward for the bank, that is, does the revenue earned reflect the risk of the loan?	Terms		
S				
9.1	Security – this is always the last consideration, as security is the repayment method of last resort	Security		

<Section 7: Conclusion>

Page Title	Conclusion & next steps	Type	Text and Static Image / Graphic	Number	23
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					
Event	Audio48 WORDS	On-Screen Text (OST)		Internal Development Notes	
1.	<p>This e-learning unit has highlighted some of the key issues and complexities of the Consumer Credit program.</p> <p>It is recommended that you review and confirm your understanding and application of the learning objectives detailed within each chapter and complete the mock exam before proceeding to the final assessment.</p>	<p>Now it's time to:</p> <ul style="list-style-type: none"> Review the core learning outcomes within each textbook chapter Revisit content where needed Complete the mock exam and review the feedback supplied 		<p>End the unit with our character John, who will be either saying goodbye to us, or turning to look at this text book, or turning to greet a customer, or going to complete his formal assessment.</p>	

		<ul style="list-style-type: none">Undertake the final assessment	

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