Finance Broking in Practice (FBP)

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Please note due to the ever changing operating environment for Financial advisers, rates and figures provided in the course work are subject to change some every quarter, therefore it is imperative that you complete your own research so that you are familiar with the current rates or figures which may not necessarily be reflected in the coursework at the time of you undertaking your studies.

Case Study

and Role Play

Case Study

As part of your marketing, Peng and Mia, who live in the same suburb as you, come to your office and during the initial interview with them, you establish the following facts:

1. After migrating into Australia, Peng and Mia, a young couple originally from Taiwan, obtained their permanent residency status and have settled in the same State or Territory as you to run a small bakery. Both have intermediate English language skills.
2. **They have saved $95,000** in the last two years and now want to obtain a mortgage loan to buy their first property which is situated in the same State or Territory that you live in.
3. They would like to buy a one bedroom condominium, which was built 6 months ago. **The cost of the condominium is $410,000.**
4. They may consider having a baby in the near future in which case they may want to move to a larger apartment.
5. They are concerned about whether they satisfy the lender's income requirements because they don't have stable salaries. That being said, they earn good salaries and a small profit from their bakery business. Research on the internet to determine which lender is likely to treat them more favourably.
6. Peng and Mia would prefer not to pay any principal in the early years of their loan, if possible. Instead they want to make further investments in their business to grow it.

Role Play 1 of 2

Please complete this by videoing yourself and sending the video to dised@iit.edu.au

When undertaking your role play please be organised and disciplined in your time frames. This MUST be done with at least one another person acting as your client. The International Institute of Technology take great pride in these role plays and they are a vital platform to the underlying pedagogy. Consider your timeframes when completing this roleplay, think of it as being receptive to the timeframes of your client. A mortgage broker needs to be knowledgeable in the presentation of the advice process so please be well prepared to answer questions clearly when asked by the clients.

Duration: Please allow 10–15 minutes

Scenario
Peng and Mia have agreed to be on a list to be contacted, you have called them and after introducing yourself and establishing a relationship you try to persuade him/her to be your client.

Directions
Present your advice. Please use the guidelines below to assist in your presentation.

Topic to be covered	Time allocated	Delivery method	Suggestions and issues to be discussed
Cold Calling	2 minutes	Oral	Introduce yourself Establishing a relationship with Peng or Mia Detail your organisational values and experience Try to persuade Peng or Mia to be your client.
Appropriate questioning and listening	2 minutes	Oral	Explain the financial processes involved in gaining a loan including the role of you as the adviser and the organization. Determine Peng's or Mia's understanding of financial processes
Prospective client is encouraged to express their needs and goals	2 minutes	Oral	Ask Peng or Mia to explain his needs and goals
Resistance is probed and identified and addressed in an appropriate manner through a strategy to manage the resistance	2 minutes	Oral	Ask Peng or Mia why he/she is resistant to undertaking the process and undertake a strategy to overcome his resistance.
Discuss and clarify format and style with person requesting document/publication	2 minutes	Oral	Peng or Mia decides to become a client but wants to make sure your advice is clear in documentary forms. Ask Peng or Mia what he/she needs his/her documents to look like.

Role Play 2 of 2

Duration:

Please allow 10–15 minutes

Scenario

After agreeing to be your clients Peng and his wife Mia have sent you their information and you are prepared for their appointment. During this appointment, you will explain the details of the loan you have chosen for them including the features of the loan, the associated costs and why you are making this recommendation. You will also explain the details of your remuneration to them.

Directions

Present your advice. Please use the guidelines below to assist in your presentation.

Topic to be covered	Time allocated	Delivery method	Suggestions and issues to be discussed
Introduction and brief overview	1 minutes	Oral	Welcome your clients, present them with your business card and Credit Guide.
Explain how you are going to help your clients obtain finance	4 minutes	Oral / Q & A	Whilst asking questions to ensure the client understands, you should: • explain the details of the finance you have organised for your clients – describe the type of loan you have arranged for your clients including the expected payments – outline the features of the loan including any portability features you have recommended – explain whether you think your clients will get the FHOG – explain to your clients the LVR you have applied and ensure they are happy with it • explain to your client your responsibilities under the anti-money laundering regulations • ensure your clients understand what you are organising for them by using plain English
Explain the fees and commissions	1 minute	Oral / Q & A	• Discuss the fees you are charging with the client and how they will be charged. • Focus on critical aspects of service delivery. • Disclose whether you have any exclusive relationships with banks or other lenders.
Explain the implementation process to the clients	3 minutes	Oral / Q & A	• Confirm the clients are happy with the finance arrangements and seek feedback. • Explain to your clients what documentation you will need from them. • Explain the steps involved in the implementation process, including the roles and responsibilities of other relevant industry participants and their input into the process. • Respond to any of your clients' concerns
Conclude appointment	1 minutes	Oral / Q & A	• Ask your clients if they are happy and have any feedback.

			• Explain you will maintain contact throughout the implementation process and that (from time to time) they may need to supply further information. • Explain you will control the implementation process and if they have any questions to give you a call so that you can discuss the issues at hand.

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