

# **Appendix N**

## **FINANCE YOUTH APPRENTICESHIP**

### **BANKING ADVANCED (UNIT 6)**

## **Unit 6: Banking Advanced - Required Competencies**

Competency

### **1. Obtain/complete documentation to close accounts**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

**Performance will be successful when learner:**

- Access customer account on computer
- Verify account balance and any outstanding fees or items
- Prepare withdrawal or transfer form
- Write appropriate transaction code on withdrawal ticket, transfer form or general ledger ticket if necessary

Learning Objectives

- Discuss the criticality of appropriate identification for closing an account
- Explain how to engage the customer as to the reason for closing the account
- Describe how to counter closing an account due to service issues

**Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

### Competency

#### **2. Obtain/complete documentation to open accounts**

### Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

### Performance Standard Criteria

#### **Performance will be successful when learner:**

- Perform and print credit check if applicable
- Check applicant's name for possible match to the OFAC list
- Obtain additional documentation if needed (e.g., credit analysis, history, application, etc.)
- Fill out customer signature card
- Obtain and complete documents to order other financial institution products, e.g., ATM card, Personal Checks
- Complete customer passbook, if applicable
- Gather supporting terms and agreement documentation
- File signature card once signed in appropriate location
- Prepare customer file, if required, and file in appropriate location

### Learning Objectives

- Explain how interest rates are determined by market forces
- Describe how interest rates influence savings behavior and choices
- Compare and contrast different types of savings accounts
- Explain the credit analysis process
- Identify major cash management services offered
- Explain the benefits of cash management services
- Explain the use credit cards, financial institution cards and debit cards and how they differ
- Describe the forms needed to open and use a checking account
- Explain the credit analysis process

### **Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

Competency

### **3. Collaborate with marketing team efforts**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Cooperate with advertising teams, sales managers, and designers, to plan advertising strategies that will entice people to purchase service
- Research new places to sell services
- Suggest ways to improve services
- Assist with production of advertisements and promotions with team
- Consult with staff to arrange promotional campaigns in all types of media for services to organizations and individuals

Learning Objectives

- Explain the use of the sale presentation
- Describe the importance of personal selling in marketing services
- Discuss the selling process
- Define public relations
- Compare advantages and disadvantages of sales promotion methods and advertising media
- Explain how specific types of advertising will help promote services in the most effective way possible
- List methods to announce a new service to the public
- List ways to communicate a new service to current customers
- Detail types of marketing materials for the financial services industry
- Describe how to identify new advertising markets and how to serve them

**Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

Competency

### **4. Assist to evaluate marketing efforts**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Evaluate service reputation
- Assist with research to determine efforts such as customer satisfaction, customer preferences, market size & growth, buying cycles, etc.
- Examine customer complaints regarding services, products, or personnel
- Suggest services to satisfy customer complaints

Learning Objectives

- Describe the purpose of marketing research
- Explain why market research and customer follow up is important
- Identify methods of conducting marketing research
- Discuss trends and limitations in marketing research
- Analyze details of targeted customers to assess their growth potential and to set quotas
- Explain how to analyze and evaluate sales histories, popularity indices, and production sheets
- Discuss the elements of the promotion mix

**Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

Competency

### **5. Close savings account**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain personal identification from customer
- Access customer account on computer
- Verify available account balance
- Prepare withdrawal or transfer form
- Obtain customer signature on withdrawal or transfer form
- Write appropriate transaction code on withdrawal ticket, transfer form or general ledger ticket if necessary
- Count and give currency to customer if appropriate
- Prepare check/draft for customer if appropriate
- Run transaction on teller terminal
- Provide evidence of closed account to customer
- Complete cash-out ticket if appropriate
- Place cash-out ticket and withdrawal slip in work bin

Learning Objectives

- Discuss the criticality of appropriate identification for closing an account
- Explain how to engage the customer as to the reason for closing the account
- Describe how to counter closing an account due to service issues

**Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

### Competency

#### **6. Assist to open new savings account**

### Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

### Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain personal identification from customer
- Collect funds to be deposited
- Have customer fill out new account application if applicable
- Perform and print credit check if applicable
- Check applicant's name for possible match to the OFAC list
- Make judgment based on information (e.g., credit analysis, history, application, etc.) if applicable
- Input type of account
- Assign account number to customer
- Enter account number and customer information
- Obtain customer signature on signature card
- Cross-sell other financial institution products
- Deposit funds
- Give customer passbook, if applicable, along with terms and agreement
- File signature card in appropriate location
- Prepare customer file, if required, and file in appropriate location

### Learning Objectives

- Explain how interest rates are determined by market forces
- Describe how interest rates influence savings behavior and choices
- Compare and contrast different types of savings accounts
- Explain the credit analysis process
- Identify major cash management services offered
- Explain the benefits of cash management services

### **Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

### Competency

#### **7. Identify prospective loan customers**

### Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

### Performance Standard Criteria

#### **Performance will be successful when learner:**

- Study the objectives, policies and needs of target customers
- Mail literature to households and businesses using information from marketing resources
- Obtain prospect lists acquired by financial institution
- Refer current customers to other service departments (e.g., trust, mortgage, investment, etc.)
- Obtain referrals from current customers
- Prepare list of prospective customers
- Perform telemarketing activities as required
- Forecast sales using sales history, popularity indices, and production sheets
- Identify opportunities to sell up to greater coverage for an individual or group

### Learning Objectives

- Describe how financial institutions generate loan applications using marketing and other delivery channels
- Identify loan use patterns
- Explain the marketing techniques for selling loans
- Explain how effective marketing can increase loan application volume
- Describe the objectives and components of your institutions loan policy
- Identify structuring options for different loan products
- Explain the types of data used to analyze customer requirements
- Identify credit usage patterns and discuss the benefits of consumer credit for commercial banks
- Explain the advantages and disadvantages of indirect lending from the bank's, dealer's, and consumer's perspective
- Describe telemarketing techniques that are used to sell financial products
- List selling points specific to financial products and services at your company
- Describe how to highlight key product features
- Explain laws and regulations that impact the type of financial product or service purchased
- Explain the importance of cross-selling
- Identify the steps of the selling process
- Identify sources for prospective customers
- Describe the potential individual, group, cultural, and situational factors that influence a consumer's decision to buy



- Describe a marketing plan

**Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

Competency

### **8. Process loan payments**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain loan coupon and payment
- If no coupon, verify account to be credited and how payment should be made to loan total, principal, and/or interest
- Verify customer identification and funds availability for account to be withdrawn if applicable
- Verify cash/coin authenticity for loans paid with cash
- Provide receipt for payment
- Process payment or file loan transaction to be processed

Learning Objectives

- Discuss financial institution lending
- Identify basic loan categories
- Explain how interest rates are determined by market forces
- Describe how interest rates influence the amount of borrowing
- Define principle, interest, interest rate, fixed rate, variable rate, simple interest, compounding interest, annual percentage rate, and lien
- Calculate simple interest on loans
- Calculate loan payments with different interest rates

**Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

Competency

### **9. Respond to customer loan account inquiries and requests**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Verify customer identification
- Collect information from document or customer
- Locate information required using information system data
- Provide information securely
- Update information accurately as applicable
- Respond to customer questions
- Input customer information and print documents as required for services
- Obtain customer signature(s) when required
- Process physical documents of service
- Direct customer to applicable department when appropriate
- Follow up to ensure customer's needs were met

Learning Objectives

- Describe features of loans that your department offers
- Identify credit terms for the various loans offered
- Discuss reasons consumers may choose a loan or specific credit term
- Outline the various forms of account ownership and titling
- Describe account disclosure and inquiry polices under Regulation DD

**Comments:**

## **Unit 6: Banking Advanced - Required Competencies**

Competency

### **10. Maintain and update customer loan files**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

**Performance will be successful when learner:**

- Retrieve customer file
- Put forms in file
- Organize forms in appropriate order
- Note and follow up on any missing information/documentation
- Return customer file to appropriate location
- Maintain and update computer loan files
- Retrieve customer file from computer
- Attach forms to file (e.g., scanned documents, loan information, etc.)
- Note and follow up on any missing information/documentation
- Save changes

Learning Objectives

- Describe the documentation needed for different loan types and the loan review process

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

### Competency

#### **1. Assist with promotional efforts**

### Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

### Performance Standard Criteria

#### **Performance will be successful when learner:**

- Study the objectives, promotional policies and needs of organizations to develop public relations strategies that will promote service
- Develop promotional materials such as advertisements, coupons, brochures and web-based designs
- Plan advertising campaigns to sell services
- Determine advertising medium to be used
- Prepare sample advertisements within the selected medium for presentation
- Estimate the cost of advertising space or time
- Purchase advertising materials, space, and time as required to promote service
- Identify networking opportunities and collaborative promotional efforts
- Create promotional message to target various markets
- Identify key information elements to aid in targeting or modifying the service for a specific audience

### Learning Objectives

- Discuss the elements of the promotion mix
- Define public relations
- Explain types of advertising media
- Compare advantages and disadvantages of sales promotion methods and advertising media
- Explain how specific types of advertising will help promote services in the most effective way possible
- List methods to announce a new service to the public
- List ways to communicate a new service to current customers
- Compare/contrast different marketing packets/materials
- Detail types of marketing materials for the facility
- Explain the bidding and contract approval process with media agencies
- Describe how to identify new advertising markets and how to serve them
- List options for advertisement artwork
- Identify the parts of a print advertisement
- Identify economic, social, and health/safety factors influencing meeting/event decisions

### **Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **2. Close checking account**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain personal identification from customer
- Access customer account on computer
- Verify available account balance and checks outstanding
- Pay off and close overdraft protection if necessary
- Collect ATM/debit cards
- Obtain check from customer for closing amount if necessary
- Count and give currency to customer if appropriate
- Prepare check/draft for customer if appropriate
- Deposit check if account has insufficient funds
- Run transaction on teller terminal
- Provide evidence of closed account to customer if necessary
- Prepare cash-out ticket if appropriate
- Place cash-out ticket and check in work bin when appropriate
- Remind customer to follow up with companies that do direct deposit, automatic withdrawal, etc., from that checking account

Learning Objectives

- Describe how to handle outstanding checks when closing a checking account
- Discuss the criticality of appropriate identification for closing an account
- Explain how to engage the customer as to the reason for closing the account
- Describe how to counter closing an account due to service issues

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **3. Assist to open new checking account**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain personal identification from customer
- Collect funds to be deposited
- Have customer fill out new account application if applicable
- Perform and print credit check if applicable
- Check applicant's name for possible match to the OFAC list
- Make judgment based on information (e.g., credit analysis, history, application, etc.) if applicable
- Input type of account  
Assign an account number to customer
- Enter account number and customer information
- Obtain customer signature on signature card
- Cross-sell other financial institution products
- Deposit funds
- Give customer starter kit or temporary checks, if applicable, along with terms and agreement
- Show customer catalog of types of checks available for purchase and complete check order
- File signature card in appropriate location
- Prepare customer file if required and file in appropriate location

Learning Objectives

- Explain the use credit cards, financial institution cards and debit cards and how they differ
- Describe the forms needed to open and use a checking account
- Explain the credit analysis process

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

### Competency

#### **4. Assist to issue certificate of deposit**

### Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

### Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain personal identification from customer
- Retrieve account processor software
- Explain types of time deposits to customer
- Determine account suitable for customer
- Determine account titling/ownership
- Enter time deposit information
- Input customer information
- Print two copies of certificate of deposit
- Hand print amount on certificate of deposit if necessary
- Obtain signature from officer of the financial institution on both copies
- Receive currency or check from customer for amount of certificate of deposit
- Count currency to verify amount if appropriate
- Examine check if appropriate
- Complete timed deposit transaction ticket
- Place time deposit transaction ticket with currency or check in appropriate bin
- Give one copy of certificate of deposit to customer
- File one copy in customer file

### Learning Objectives

- Explain how interest rates are determined for CDs
- Compare CDs to regular savings accounts
- List the different terms that financial institutions commonly offer for CDs

### **Comments:**



## **Unit 6: Banking Advanced – Competency Choices**

### Competency

#### **5. Assist to process decedent accounts**

### Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

### Performance Standard Criteria

#### **Performance will be successful when learner:**

- Verify identity and authority of party seeking to act on account
- Obtain copy of death certificate, personal representative papers, consent to transfer form or other legal documentation granting authority to act on account
- Discuss options available with customer
- Process customer's request to withdraw, transfer, change name on account, etc.

### Learning Objectives

- List the legal documents required to declare a person deceased
- Describe the documents required to close an account on behalf of a deceased person
- Define Power of Attorney, Legal Representative, Estate Executor
- Explain the implications for a deceased's estate should an account be closed without the proper authorization
- Describe how a closed account's funds are given to the estate or other authorized entity
- Define a trust
- Explain how trusts are used once a person is deceased

### **Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **6. Issue US savings bonds**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain order form
- Assist customer with completing form, if necessary
- Assist customer to select appropriate denomination
- Explain information about retention, savings accrual, and redemption
- Obtain information for bond securely
- Verify funds availability for account to be withdrawn if applicable
- Process withdrawal using computer
- Verify cash/coin authenticity for checks paid with cash
- Review check for completeness of information
- Collect any additional fees if applicable
- Post fees to appropriate account if applicable
- Issue US Savings Bond purchase receipt to customer
- Provide any applicable receipts for account withdrawals made
- Send one copy of form to appropriate person/department

Learning Objectives

- Define what a US savings bond is
- Explain why customers purchase US savings bonds
- Describe how US savings bonds are used as savings products
- Discuss why a customer would purchase a savings bond for investment rather than depositing into a savings account
- Describe what the US government does with funds collected from US savings bonds
- Differentiate between the different series of savings bonds issued by the US government
- Describe common types of corporate and government bonds
- Compute average annual yield and rate of yield to maturity

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **7. Redeem US savings bonds**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Receive savings bond from customer
- Verify month and series
- Verify value of bond on appropriate chart/program
- Have customer complete back of bond
- Verify identification and social security number
- Stamp front of bond with redemption stamp and complete appropriate information
- Process redemption on computer
- Verify bond amount on computer/calculator
- Count and give currency to customer
- Have customer sign interest earned statement
- Give customer copy of interest earned statement
- Send signed interest earned statement to appropriate department

Learning Objectives

- Explain how US savings bond interest rates are determined
- Define the terms for different series of US savings bonds
- Explain how to determine cash in value when the bond is redeemed
- Describe the tax requirements of redeeming US savings bonds

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **8. Issue money orders**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Collect information required for Money Order
- Verify customer identification and funds availability for account to be withdrawn if applicable
- Process withdrawal using computer
- Verify cash/coin authenticity for checks paid with cash
- Review check for completeness of information
- Collect any additional fees as required
- Post fees to appropriate account
- Complete required forms if Money Order exceeds specified limit
- Create Money Order within all legal requirements and limits
- Issue Money Order to customer
- Provide any applicable receipts for account withdrawals made

Learning Objectives

- Explain how a money order differs from a cashier's check and personal check
- Describe when a customer would prefer a money order check over other forms of negotiable items including personal checks

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **9. Issue travelers checks**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Verify customer identification
- Verify total amount and denominations required
- Explain rules for use according to issuer company
- Verify funds availability for account to be withdrawn if applicable
- Process withdrawal using computer
- Verify cash/coin authenticity for checks paid with cash
- Review check for completeness of information
- Collect any additional fees as required
- Post fees to appropriate account
- Complete required forms if Traveler's Checks exceed specified limit
- Have customer complete purchase record form
- Give one copy to customer.
- Send one copy to appropriate department
- Issue Traveler's Checks to customer
- Instruct customer to sign appropriate line on each Traveler's Check
- Explain how to store receipts and checks for travel
- Provide any applicable receipts for account withdrawals made

Learning Objectives

- Explain the purpose of travelers checks
- Describe how travelers checks are used when traveling
- Compare the advantages and disadvantages of using travelers checks instead of checks and/or cash
- Describe how money exchange rates impact persons with travelers checks in US dollars
- List the vendor companies that offer travelers checks for resale by financial institutions

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **10. Issue foreign currency**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Verify total US amount and foreign denomination requested
- Check daily currency exchange rate for the denomination requested
- Verify funds availability for account to be withdrawn if applicable
- Process withdrawal using computer
- Verify cash/coin authenticity if changing US cash
- Collect any additional fees as required
- Post fees to appropriate account
- Complete required forms if Foreign Currency exchange exceeds specified limit
- Calculate foreign currency amount per exchange rate
- Issue foreign currency to customer
- Provide any applicable receipts for account withdrawals made

Learning Objectives

- Explain the use of foreign currency in today's global economy
- Describe how foreign currency travelers checks can be used for security and ease in a foreign country
- Compare the advantages and disadvantages of using foreign currency instead of travelers checks and/or US cash
- Describe how money exchange rates are impacted daily
- Describe the foreign currency exchange limits and documentation required if exceeded

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **11. Compile documentation for loan closing**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

**Performance will be successful when learner:**

- Retrieve existing customer application packet
- Retrieve closing documentation
- Prepare required documentation prior to closing
- Prepare internal forms for data entry
- Obtain notarized documents as required
- Obtain or arrange to obtain title (e.g., auto loan, etc.)
- Obtain proof of insurance documents as required
- Assemble documents
- Review documents for errors on interest, principle, payment, and closing costs
- Schedule closing meetings
- Send documents to funding area or appropriate person to determine date funds will be available if applicable

Learning Objectives

- Explain how loan payment information is determined
- Describe the factors that affect loan pricing and methods to calculate profitability
- Calculate loan payoff information
- Describe the documentation needed for different loan closing
- Define basic lending terms
- Discuss how the value of collateral for loan security is determined
- Compare installment loans and open-ended loans

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **12. Assist to complete a loan application with a customer**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

**Performance will be successful when learner:**

- Obtain customer information for loan securely
- Prepare documents for personal loan request with customer
- Review documents with customer
- Obtain customer signature on documents
- Deliver copies to appropriate person(s) for processing

Learning Objectives

- State the objectives of the loan application process
- Define the lending process beginning with the loan application
- Explain how loan costs and loan to value calculations are determined
- Describe how to read rate sheets to price a loan initially
- Define loan structuring and identify loan structuring options for different loan products
- State how loan pricing decisions are affected by the legal environment, the competitive environment, and general economic conditions

**Comments:**



## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **13. Order credit reports**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain customer application, if necessary, and signed approval for ordering credit report
- Enter information needed for receiving on-line credit reports
- Send request for credit report when appropriate
- Verify information on credit report with information on customer application
- File reports as appropriate

Learning Objectives

- List the main credit bureaus and how they operate to manage credit information
- Explain the use of the credit rating
- Describe credit report codes and their meanings from appropriate charts provided by credit bureau
- Describe loan information sources and the credit verification process
- Explain how credit is evaluated from the credit report
- Discuss the steps in the credit approval process
- List the major criteria used in credit evaluation and approval
- Describe how a borrower's financial information is assessed to determine repayment ability and risk

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **14. Assist to collect and recover funds on defaulted loans**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Review customer accounts
- Verify payment schedules
- Verify timeliness of payments and other loan terms
- Prepare reports to send to customers whose accounts are delinquent
- Forward irreconcilable accounts to appropriate person(s) for collection action

Learning Objectives

- Discuss causes for delinquencies
- Identify the objectives and process for collection and recovery functions
- Identify collection stages and remedies
- Explain how judgments, writs, garnishments, composition agreements, foreclosures and/or attachments allow financial institutions to obtain payment on defaulted loans
- Discuss how bankruptcies may allow the discharge of debt

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **15. Process documents for consumer loan application**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Retrieve loan package
- Verify application information
- Request additional information when appropriate (e.g., verification of employment and deposit, tax forms, etc.)
- Order credit reports
- Order titles if applicable
- Send contract for purchase with order for appraisal if applicable
- Verify insurance coverage on item if applicable
- Send original package to underwriting to analyze risk of loan

Learning Objectives

- Compare conventional and adjustable rate loans with other forms of consumer financing
- Differentiate between an interest only loan and a compound interest loan
- Read and interpret a basic rate sheet understanding premium, par, and discount loan pricing
- Identify and describe a No cost, No fee loan versus an upfront closing cost loan
- Calculate pre-payment penalties & pro-rations such as taxes, insurance, and interest.
- Define and calculate the Annual Percentage Rate (APR) for loan comparison purposes
- Calculate a Good Faith Estimate (GFE) for both a purchase and a refinance loan
- Identify and describe the primary credit agencies that perform credit-reporting bureau activities
- Read a credit report and interpret the ratings for both A-paper and sub-prime Loans
- Learn how to establish good credit, improve FICO scores, and manage derogatory credit

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **16. Assist to Pre-approve consumer loan customer**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Determine purpose of loan
- Obtain signed customer application
- Evaluate credit report
- Calculate debt to income ratio
- Calculate loan to value ratios
- Evaluate collateral if applicable
- Approve/deny application

Learning Objectives

- Define consumer lending and discuss its historical development
- Identify the benefits of consumer lending for financial institutions
- Identify the features and benefits of consumer credit products
- List characteristics of open-end revolving credit products and describe four types of open-end products
- Compare and contrast direct and indirect lending from the perspective of the financial institution and the consumer
- Discuss leasing as an alternative to a consumer loan
- Describe the function of the underwriter in the insurance industry
- Identify types of consumer loan documents and describe their purpose
- Describe how to calculate debt to income and loan to value ratios
- Calculate finance charges, stated rate, and effective rate
- Calculate monthly payments on installment loans
- Calculate interest and principal payments on amortized loans
- Describe the procedures used to secure a consumer loan, including the steps required to perfect the security interest
- Cite specific concerns with regard to establishing a security interest in real property, airplanes, and boats

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **17. Process documents for mortgage loan application**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Retrieve loan package
- Verify application information
- Request additional information when appropriate (e.g., verification of employment and deposit, tax forms, etc.)
- Order appraisal and flood determination for property
- Order title of property
- Send contract for purchase with order for appraisal if applicable
- Verify insurance coverage on property
- Send original package to underwriting to analyze risk of loan

Learning Objectives

- Compare conventional and adjustable rate mortgages with other forms of financing such as SAM, Home Equity Loans, and Reverse Mortgages
- Describe fixed rate, adjustable rate, and other alternative mortgage instruments
- Differentiate between an interest only loan and a compound interest loan
- Calculate a complete house payment (PITI, and PMI/MI and/or HOA, if necessary)
- Read and interpret a basic rate sheet understanding premium, par, and discount loan pricing
- Identify and describe a No cost, No point, No fee loan versus an upfront closing cost loan
- Define and calculate PMI and PITI
- Calculate pre-payment penalties & pro-rations such as rent, taxes, insurance, and interest.
- Define and calculate the Annual Percentage Rate (APR) for loan comparison purposes
- Calculate a Good Faith Estimate (GFE) for both a purchase and a refinance loan
- Identify and describe the primary credit agencies that perform credit-reporting bureau activities
- Read a credit report and interpret the ratings for both A-paper and sub-prime Loans
- Learn how to establish good credit, improve FICO scores, and manage derogatory credit

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **18. Assist to pre-approve mortgage customer**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Order and evaluate credit report
- Input customer application information into appropriate software if applicable
- Print application if applicable
- Review application thoroughly to check for accuracy
- Receive documentation from customer
- Analyze pay stubs and tax forms
- Assist to determine appropriate program
- Assist to determine limit of loan
- Identify customer needs (e.g., amount and type of loan, length of loan, etc.) based on information provided
- Calculate debt to income ratio
- Calculate loan to value ratios
- Print disclosure forms (e.g., good faith estimate, etc.)
- Package loan
- Send loan package to loan processor

Learning Objectives

- Describe the historical background of Mortgage Brokering and Lending.
- Explain the mortgage approval process: submission, approval, conditions, funding, closing, & servicing.
- Learn about the various types of lenders and lending institutions in the mortgage industry.
- Differentiate between conventional, government, and non-conforming loan programs.
- Become familiar with the lending and underwriting guidelines used in the field.
- Understand the basic borrower interview process
- Describe features of mortgage loans that might meet customer needs
- Describe how to calculate debt to income and loan to value ratios
- Calculate finance charges, stated rate, and effective rate
- Calculate monthly payments on installment loans
- Calculate interest and principal payments on amortized loans
- Evaluate the most important risks inherent in common types of real estate projects

- Determine critical due diligence requirements for various real estate loans, including environmental audits, project feasibility studies, plan and budget reviews and other relevant documentation
- Differentiate the valuation methods and analyze the key elements of a real estate valuation
- Analyze the adequacy of real estate loan repayment sources, including those related to borrower, project and guarantor

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **19. Set mortgage loan closing date and time**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Obtain approved loan from underwriter
- Compose and mail approval letter to customer and realtor
- File copy in loan package
- Call customer
- Determine time and date of closing
- Inform customer of items to bring to closing
- Inform customer to bring cashier's check for set amount
- Contact realtor to inform him/her of closing date and time
- Send loan package to closer to process closing documents (e.g., mortgage, note, federal disclosure forms, escrow forms, settlement statements, compliance forms, etc.)

Learning Objectives

- Discuss the role of closing in the mortgage lending process
- Describe the origination, processing, and underwriting concepts that affect the closing process
- List legal issues related to closing
- Discuss the impact of federal laws and regulations on the closing process
- List the documents present or executed at closing
- Explain the purpose and use of title insurance
- Describe how the lender protects its investment - the importance of insurance, taxes, and escrow
- Explain what happens to the loan file before, during, and after settlement
- Differentiate between a borrower's recurring and non-recurring closing costs
- Describe the foreclosure process

**Comments:**



## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **20. Process documents for commercial loan application**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Retrieve loan package
- Verify application information
- Request additional information when appropriate (e.g., verification of business/building ownership, employment, tax forms, etc.)
- Order appraisal and flood determination for property
- Order title of property
- Send contract for purchase with order for appraisal if applicable
- Verify insurance coverage on property
- Order credit reports
- Order titles
- Send original package to underwriting to analyze risk of loan

Learning Objectives

- Compare commercial loans with personal mortgage loans and other loan products
- Compare conventional and adjustable rate loans with other forms of consumer financing
- Differentiate between an interest only loan and a compound interest loan
- Read and interpret a basic rate sheet understanding premium, par, and discount loan pricing
- Identify and describe a No cost, No fee loan versus an upfront closing cost loan
- Calculate pre-payment penalties & pro-rations such as taxes, insurance, and interest.
- Define and calculate the Annual Percentage Rate (APR) for loan comparison purposes
- Calculate a Good Faith Estimate (GFE) for both a purchase and a refinance loan
- Identify and describe the primary credit agencies that perform credit-reporting bureau activities
- Read a credit report and interpret the ratings for both A-paper and sub-prime Loans
- Learn how to establish good credit, improve FICO scores, and manage derogatory credit

**Comments:**

## **Unit 6: Banking Advanced – Competency Choices**

Competency

### **21. Assist to pre-approve commercial loan customer**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

**Performance will be successful when learner:**

- Order and evaluate credit report
- Input customer application information into appropriate software if applicable
- Print application if applicable
- Review application thoroughly to check for accuracy
- Receive documentation from customer
- Analyze pay stubs and tax forms
- Assist to determine appropriate program
- Assist to determine limit of loan
- Identify customer needs (e.g., amount and type of loan, length of loan, etc.) based on information provided
- Calculate debt to income ratio
- Calculate loan to value ratios
- Print disclosure forms (e.g., good faith estimate, etc.)
- Package loan
- Send loan package to loan processor

Learning Objectives

- Describe the historical background of Commercial Lending
- Explain the commercial loan approval process
- Differentiate between types of commercial loan programs
- Become familiar with the lending and underwriting guidelines used in the field.
- Understand the basic borrower interview process
- Describe features of commercial loans that might meet customer needs
- Describe how to calculate debt to income and loan to value ratios
- Calculate finance charges, stated rate, and effective rate
- Calculate monthly payments on installment loans
- Calculate interest and principal payments on amortized loans

**Comments:**