

MLB Administrative Staff Guidelines

People that engage in credit activities require an Australian Credit Licence or an authorisation from a licensee. This includes credit providers and lessors, and other persons, such as finance brokers.

'Credit activity' is defined in the National Credit Act and includes activity relating to credit contracts, consumer leases, mortgages and guarantees, and credit services.

A person cannot engage in credit activity if the person does not hold an Australian Credit Licence or is appointed as a Credit Representative or Representative of an Australian Credit Licence. Only authorised parties can undertake credit activity / credit assistance.

NCCP Act 2009 prohibits unauthorised credit activity which can lead to civil and criminal penalties.

The below table outlines some day-to-day activities undertaken whilst applying for a credit facility.

Note: The responsibility for the accuracy of all tasks performed is the brokers.

Activity	Tasks admin staff (non-Credit Representatives) can undertake	Tasks broker (Credit Representative) must undertake
Meetings, interview, fact find completion, discussions with clients about their personal and financial situation, borrowing requirements including features, loan structure and loan eligibility	<ul style="list-style-type: none"> ▪ Set up meetings ▪ Send and collect information ▪ Send emails on brokers instruction (cc broker) ▪ Save documentation to the client file ▪ Follow up with clients for missing documents 	<p>All credit advice / activity is the responsibility of the broker.</p> <ul style="list-style-type: none"> ▪ Understand and capture personal and financial situation ▪ Verification of client(s) information ▪ Best interest duty recommendations ▪ Loan structure / eligibility
Shortlisting lenders / products, recommending lenders / products and completion of commentary to meet regulatory requirements	<ul style="list-style-type: none"> ▪ Share typical wait times / experiences with lenders to the broker ▪ Research lender / product policies and interest rates for lenders suggested by the broker and provide information back to the broker 	<ul style="list-style-type: none"> ▪ Recommending / shortlisting products ▪ Completion of commentary to meet regulatory requirements
Discussions with guarantors on providing a guarantee on a loan	<ul style="list-style-type: none"> ▪ Research products / policies of lenders suggested by the broker and 	<p>All guarantor assessments, recommendations and discussions</p>

	provide information back to the broker	
ID document sighting, verification, completing lender ID forms and signing	<ul style="list-style-type: none"> Save and rename ID documentation to hold on client file 	<ul style="list-style-type: none"> Verification of ID as per requirements Check documentation for inconsistencies / authenticity Completion / execution of lender ID forms
Answering client queries on product features, lender policy and loan account management	<ul style="list-style-type: none"> Follow up status of the application Set up meetings for the broker Note: admin staff can only provide information on lenders / products that is publicly available (such as via a lender website) 	All loan, lender, product features and management of loan account
Responsibility for the accuracy of data entry on systems, accuracy of compliance documents and lender applications	<ul style="list-style-type: none"> Complete data entry and complete compliance documents based on information provided by the broker 	Responsibility for accuracy and completeness of data entered on systems, accuracy and completeness of compliance documents and lender applications
Send NCCP compliance documents to the client(s) for review and execution	<ul style="list-style-type: none"> Send only if authorised by the broker to do so and cc the broker into email correspondence Recommend email body to include 'sending on behalf of <name of broker>' 	Responsible for final review of NCCP documents prior to sending to the client(s) for review and execution
Submission of application to the lender	<ul style="list-style-type: none"> Only on instruction from the broker 	<ul style="list-style-type: none"> Application must be reviewed by the broker prior to submission Authorise / instruct staff member to submit the application
Assisting clients to review, and execute lender documents	<ul style="list-style-type: none"> Provide / email documents for client(s) review at brokers request 	<ul style="list-style-type: none"> Provide guidance to client(s) on the document details and answer queries

		<ul style="list-style-type: none"> Confirm clients understanding of loan contract
Guarantor document execution	<ul style="list-style-type: none"> Not permitted – Generally legal practitioner only 	<ul style="list-style-type: none"> Instruct client(s) as per lender requirements - Generally legal practitioner only
Switching / varying an existing loan contract and providing advice on product type	<ul style="list-style-type: none"> Sending completed forms / actions to the lender on authorisation from the broker (cc broker) 	<ul style="list-style-type: none"> Recommending a switch or variation to a product is credit assistance and is the responsibility of the broker
Increasing an existing loan either settled or not yet settled (in progress)	<ul style="list-style-type: none"> Sending completed forms on authorisation from the broker (cc broker) 	<ul style="list-style-type: none"> Complete full assessment of client(s) situation and confirm affordability of higher loan amount
Credit card applications / discussions	<ul style="list-style-type: none"> Sending completed forms on authorisation from the broker (cc broker) 	<ul style="list-style-type: none"> Review clients request and provide product details Discuss costs, interest rates and any applicable fees
Post lodgement activities	<ul style="list-style-type: none"> Follow up status with lender Follow up with solicitors, valuers and other parties Update milestones in systems / maintain database 	The broker is responsible for all actions completed by any admin staff

The following table provides some common scenarios of tasks deemed as credit activity / credit assistance or not. It is important all administrative staff and third parties not authorised are aware of what they can and cannot do on a day-to-day basis.

Scenario	Credit activity	Not credit activity
A broker who is an authorised Credit Representative is providing credit assistance to a client. The client is completing the application form, and the broker requests their administrative staff to assist the client. The admin staff photocopies the clients supporting documents and takes the completed application form from the client.		✓
While the client is completing the application form, they are unsure of where they need to sign so the admin staff shows them where to sign.		✓
While the client is completing the application form, the client asks the admin staff what they should include for their living expenses and how much their expenses should be. The admin staff informs them of a figure to include for living expenses.	✓	
The admin staff then sends the completed application form and the supporting documents to the lender.		✓
During the lenders assessment process of the application the lender advises the brokers office that a payslip becomes out of date and a current one is now required. The assistant calls the client and requests an updated payslip.		✓
Whilst on the phone to the client, the client asks the admin staff what the current fixed interest rates are with the lender they are applying for a loan with. The assistant provides the current fixed rates.		✓
After the admin staff has advised the fixed rates, the client then asks if it is good idea to fix their loan. The admin staff advises the rates are currently low so now would be a good time to fix their rate.	✓	
The client calls the brokers office to find out if their loan has been approved or not. The assistant advises the client it has not yet been approved.		✓
As the loan has not yet been approved, the client asks if they can increase the loan amount. The assistant advises they can increase the loan amount as they have plenty of equity in the property.	✓	
Based on the above conversation, as all the clients' documents are still current, the admin staff sends an email to the lender requesting the loan amount be increased and provides a new servicing calculator.	✓	
A real estate agent whom the broker regularly receives referrals from, calls the office and asks for an interest rate sheet for a particular lender to provide to a prospective client.		✓
The real estate agent provides the interest rate sheet to the prospective client.		✓
Once the client has received the interest rate sheet from the real estate agent, the client asks the real estate agent if he thinks this lender would be the right lender for them. The real estate agent advises the client this lender has competitive rates and would be a good lender to get their loan through.	✓	
A client approaches their broker as they have been made redundant and would like some assistance with how to manage their loan. The client is		✓

advised they could contact their lender and see if they can renegotiate their loan for a period of time.		
The above client is advised by the broker to remain in their existing loan contract.	✓	
A client with several credit cards is advised if you pay extra repayments, you can pay them off quicker.		✓
The above client is advised to consolidate their credit cards into one low-rate card with a specific lenders credit card.	✓	