

**Unit: LC4 Advise on mortgage solutions**

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**Overview**

This Standard applies to those advising on standard mortgage contracts. It covers what you do when presenting suitable solutions to consumers. The focus is on ensuring that the consumer understands as fully as possible the products you recommend. You must show that your recommendations meet the need for suitability and affordability, both now and over the lifetime of the mortgage. You also have to show that you behave ethically and in compliance with the requirements of your organisation and the FSA.

***Outcomes of effective performance***

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| <p>LC4/O1 You explain clearly the features, benefits, and associated risks of the products you have identified, and the availability of protection from risk</p> <p>LC4/O2 You justify your recommendations on the basis of your assessment of consumers' needs, financial circumstances and risk aversion, and the availability of suitable mortgage products</p> <p>LC4/O3 You explain clearly the differences between fixed and variable rate mortgage products, expectations in the term structure of interest rates and how mortgage repayments will evolve under different scenarios</p> <p>LC4/O4 You explain accurately any conditions applying to the agreed solution, disclosure requirements and your consumers' rights to change their minds</p> <p>LC4/O5 When solutions are agreed, you record them accurately, clearly explain the next stages in the process and progress the solution within the timescales determined by your company's standards</p> <p>LC4/O6 You provide consumers with sufficient time and opportunity to check their understanding and the accuracy of formal documents they sign</p> | <p>LC4/O7 You agree and record a review schedule when consumers confirm that they wish this arrangement</p> <p>LC4/O8 You provide consumers with sufficient written and spoken information to meet their needs and regulatory requirements</p> <p>LC4/O9 You conduct relationships with consumers in a manner that protects your consumers' interests and complies with organisational and regulatory requirements</p> <p>LC4/O10 You comply with legal requirements, industry regulations, organisational policies and professional codes</p> |
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***Behaviours which underpin effective performance***

- LC4/B1 You explain clearly the purpose of the meeting
- LC4/B2 You use language understood readily by the consumer, check their understanding and explain any terms where the consumer is unclear
- LC4/B3 You encourage consumers to ask questions, and recognise correctly and react positively to signs in your consumer's behaviour which indicate their response to your recommendations
- LC4/B4 You present complex ideas and solutions in ways that promote understanding
- LC4/B5 You respond constructively and fully to all queries and concerns expressed by your consumers
- LC4/B6 You demonstrate a clear understanding of different consumers and their real and perceived needs
- LC4/B7 You summarise and agree the points discussed at appropriate points in the discussion
- LC4/B8 You make sufficient checks during the discussion to ensure that consumers understand your role, and the purpose of the meeting and its outcomes
- LC4/B9 You comply with legal requirements, compliance regulations, organisational policies and professional codes
- LC4/B10 You ensure that records of advice given to consumers are complete, accurate and up-to-date, and comply with regulatory and organisational requirements
- LC4/B11 You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work

***Knowledge and understanding***

**The Financial Advice Process**

To achieve this standard you must demonstrate that your knowledge and understanding meets the learning outcomes in the industry's Appropriate Examination Standards for:

- ApEx1- UK Financial Services, Regulation and Ethics, and
- ApEx2 - Investment and Risk
- ApEx 5 - Mortgage Advice

And, if you advise on lifetime mortgage products

- ApEx 6 - Lifetime Mortgage Advice

For more information about the Appropriate Examination Standards, go to [www.fssc.org.uk](http://www.fssc.org.uk).

***In addition, you must demonstrate knowledge and understanding of***

- 1 The main types of special needs faced by consumers within the financial services environment, the difficulties that these can pose and methods for providing assistance
- 2 How to recognise when individuals may not understand complex technical information and what to do to make it intelligible
- 3 The principles of effective time management
- 4 The requirements of health and safety and environmental protection legislation and how they apply to your job and the places in which you work.

***And your organisation's***

- 5 Sales/advice giving policy, associated procedures and relevant indicators of performance
- 6 Products/services available
- 7 Organisation's compliance requirements, including the structure relating to the roles covered by the training and competence regime, and the limits of authority and responsibility of these roles