

LIBF Level 3 Certificate in Mortgage Advice and Practice (CeMAP®)

Qualification specification



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Purpose of the qualification

Why study the LIBF Level 3 Certificate in Mortgage Advice and Practice (CeMAP)?

The Certificate in Mortgage Advice and Practice (CeMAP[®]) meets the education standard required by the Financial Conduct Authority (FCA) of anyone wishing to achieve a 'licence to practise' and work as a mortgage adviser.

CeMAP is primarily designed for students aged 19+. Students aged 16-18 are also eligible to study this qualification, for example through an apprenticeship.

Objectives

CeMAP[®] develops specialist knowledge and skills by introducing you to the purpose and structure of the UK financial services industry. Within this, it provides a solid introduction to the mortgage advice sector, by exploring the rules and regulations that govern the sector and the factors that impact on personal financial plans.

Key content areas

- Purpose and structure of the UK financial services industry.
- Financial Conduct Authority (FCA's) main aims, activities and relevant Conduct of Business rules.
- The house-buying process and parties involved.
- The different types of customer and their needs for different types of mortgages.
- Assessment of affordability and suitability of different mortgage options and associated protection products.

Qualification learning outcomes

On completing this qualification, you will:

Unit 1

LO	Detail	Assessment criteria
LO1	Understand the structure and regulation of the UK financial services industry, asset classes and the interaction between the types of financial services products and clients' requirements.	1 2
LO2	Understand the main asset classes and features of financial services products, and the main financial advice areas.	3 4
LO3	Understand the process of giving financial advice, the basic legal concepts, and the basic UK tax and benefits system.	5 6 7
LO4	Understand the types of interest and impact on client needs and solutions	8

Unit 2

LO	Detail	Assessment criteria
LO5	Understand the role of oversight groups, the requirements of the regulator and other laws relating to the provision of advice.	1 3
LO6	Understand the non-tax laws, regulations and codes of conduct features of the regulator's Conduct of Business Rules and how they apply to clients.	2 6
LO7	Understand the regulator approach to regulation and how the rules affect the control and structures of firms.	4 5
LO8	Understand how anti-money laundering regulations apply.	7
LO9	Understand the main features of rules for dealing with complaints and how the Data Protection Act affects the provision of financial advice.	8 9

Unit 3

LO	Detail	Assessment criteria
LO10	Know the regulatory definition of different types of mortgages, Buy to Let mortgages, Consumer Buy to Let mortgages, second charges and equity release.	1
LO11	Know the house-buying process, the key parties involved and their roles.	2
LO12	Know the process and implications of buying property at auction.	3
LO13	Know the common types of borrower and how their main mortgage related requirements may differ and what factors may disqualify people from borrowing.	4
LO14	Understand the main requirements of the Mortgage Conduct of Business Rules and the legislation affecting mortgages.	5
LO15	Understand the economic and regulatory context for giving mortgage advice.	6

Unit 4

LO	Detail	Assessment criteria
LO16	Understand the role of a Mortgage Adviser.	1
LO17	Understand the purpose of additional security, including the role of guarantors.	2
LO18	Understand the fees and charges involved in arranging a mortgage.	3
LO19	Know the principal types of property defect that surveys can identify and understand their implications when seeking a mortgage.	4
LO20	Understand the principal factors affecting the value of property.	5
LO21	Understand the different forms of valuation and survey.	6
LO22	Understand the need to obtain Local Authority planning consent for house development/extensions.	7

Unit 5

LO	Detail	Assessment criteria
LO23	Understand the need for financial protection planning.	1
LO24	Identify the main sources of financial protection.	2
LO25	Identify the regulation of insurance products and how it provides consumer protection.	3
LO26	Understand the main features of life assurance protection policies and options to meet consumers' financial protection needs.	4
LO27	Understand the range and application of income protection to meet consumers' financial protection needs.	5
LO28	Understand the range and application of critical illness to meet consumers' financial protection needs.	6
LO29	Understand the main features of insurance based mortgage protection policies.	7
LO30	Understand the needs and priorities in selecting appropriate financial protection solutions.	8

Unit 6

LO	Detail	Assessment criteria
LO31	Understand the structure and features of different types of mortgages.	1
LO32	Understand the principles, procedures and considerations associated with raising additional money.	2
LO33	Understand the principles, procedures and costs of transferring and amending mortgages.	3
LO34	Understand the implications of consolidating debt appropriately within a mortgage.	4
LO35	Understand the implications of the non-payment of mortgages and other breaches of the Mortgage Deed.	5
LO36	Understand the legal rights and remedies available to lenders in respect of non-payment from borrowers.	6

Unit 7

LO	Detail	Assessment criteria
LO37	Analyse the key features of different mortgage solutions and their suitability for different customer's circumstances.	1
LO38	Analyse the key features of different forms of property purchase and specialist mortgage lending and their suitability for different customer's circumstances.	2
LO39	Apply the rules and regulations governing mortgage lending, mortgage advice and the sale of associated mortgage protection arrangements.	1
LO40	Apply the principles of ethical and sustainable advice to suit customers' circumstances.	2

Key skills developed

The qualification will encourage you to:

- develop an understanding of how mortgage related financial products respond to the drivers and implications of changes in the wider environment and how these changes affect an individual's financial decision-making;
- demonstrate numeracy skills, including the ability to manipulate financial and other numerical data;
- use appropriate data and information from a range of sources to make financial decisions; and
- enhance your ability to work and learn independently.

Entry requirements

There are no entry requirements. However, you need to be satisfied of your ability to study in English at RQF Level 3.

Recognition of prior learning

The London Institute of Banking & Finance recognises prior learning in different forms.

Successful completion of the Level 3 Certificate in Protection (CertPro) provides an exemption to Unit 5, Mortgage Related Protection Products (MRPP) of CeMAP® or equivalent.

In addition, you may not be required to register for every unit of CeMAP®. Details of how to apply for recognition of prior learning are available on our [website](#).

Progression and preparation for further study

If you wish to achieve a further licence to practise and provide advice on equity release products, CeMAP® forms part of the Certificate in Regulated Equity Release (CeRER®). If you have completed CeMAP® you could also progress to the Level 4 CeMAP Diploma.

As a free-standing qualification, CeMAP® provides a platform for continued study within the financial services sector and a wide range of other business-related disciplines.

Apprenticeships

CeMAP® appears in the Mortgage Adviser Apprenticeship Standards and is designed to provide a solid foundation in financial services that underpins employment in many fields within the financial sector. This foundation is across a wider range of opportunities than would be found within a single apprenticeship standard.

Further details can be found on the [Government website](#).

Preparation for employment

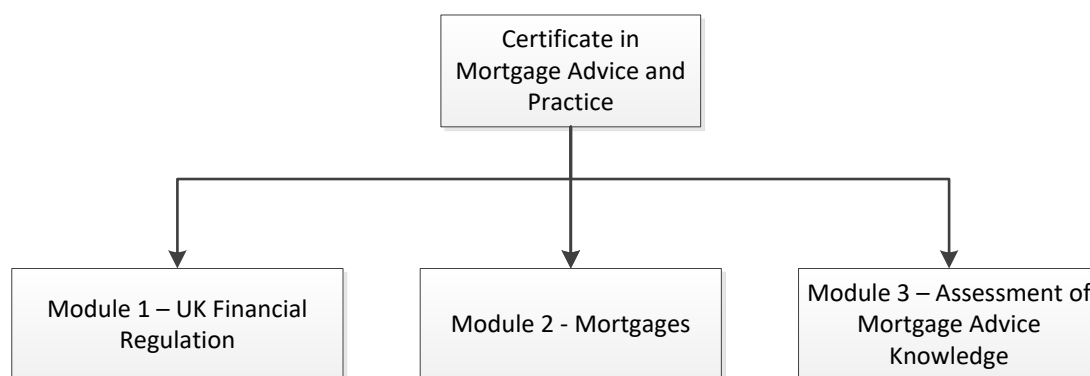
CeMAP® meets the FCA's education standard required for mortgage advisers. It also develops knowledge and understanding of financial services and mortgage advice and enhances skills that are valued within the sector and others.

You will be in a position to make an informed choice, whether to pursue a career within the financial services sector immediately or after further study. You may also apply the financial skills that you have developed to other careers or study options.

If you are seeking to continue in education, CeMAP® provides a foundation for further study in business and finance-related disciplines.

Structure

CeMAP® is made up of **seven mandatory units within three modules** which need to be successfully completed to achieve the certificate:



Module 1 - UKFR

Unit 1: Introduction to Financial Services Environment and Products (ITFS)

Unit 2: UK Financial Services and Regulation (UKFS)

Module 2 - MORT

Unit 3: Mortgage Law, Policy, Practice and Markets (MLPP)

Unit 4: Mortgage Applications (MAPP)

Unit 5: Mortgage Related Protection Products (MRPP)

Unit 6: Mortgage Payments Methods and Post-Completion Issues (MPMC)

Module 3 - ASSM

Unit 7: Assessment of Mortgage Advice Knowledge (ASSM)

Total Qualification Time (TQT)

Total Qualification Time (TQT) is a prediction of the total time a student with no prior knowledge might need to complete the course.

TQT consists of two elements, Guided Learning (GL) and all other hours:

- GL is time spent studying under the immediate guidance of supervision of a teacher.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment and exam preparation.

CeMAP[®] is primarily considered as a distance learning qualification with on-demand examination sessions.

Guided Learning Hours	6 hours
Other hours	235 hours
Total Qualification Time	241 hours

Learning resources

Students are provided with the following learning resources:

- Hard copy and online copy of the study text.
- Online access via **My LIBF** to learning materials and to KnowledgeBank (virtual library).
- Weekly study planner.
- Syllabus updates.
- Tax table.
- Online Quizzes.
- Activities and recaps.

In addition to the study texts supplied, you can purchase additional study support, provided in the form of:

- Specimen examination papers.
- CeMAP[®] Revision Tool (CRT).
- Ask The Experts (online tutor support).

What to do before the assessment

You must be registered to sit an examination managed by you. Examinations are sat electronically at any one of the 150 Pearson VUE test centres across the UK or via Remote Invigilation where you can sit your assessment remotely.

It is recommended that exams are booked two months in advance of the date you wish to sit. However, subject to availability, an examination can be booked as little as two working days in advance. Examinations can be booked over the [phone](#) or via the [Pearson VUE website](#).

To prepare for the assessment, you should make use of all learning resources.

Assessment

All components and units are mandatory and assessed.

Module 1 - UKFR

Units 1 & 2: Each unit comprises 50 stand-alone multiple-choice questions (MCQs). You need to achieve at least 35/50 (70%) to pass each unit.

Module 2 - MORT

Units 3 & 4: Each unit comprises 25 stand-alone multiple-choice questions (MCQs). You need to achieve at least 17/25 (68%) to pass each unit.

Unit 5: This unit comprises of 20 stand-alone multiple-choice questions (MCQs). You need to achieve at least 14/20 (70%) to pass this unit.

Unit 6: This unit comprises of 30 stand-alone multiple-choice questions (MCQs). You need to achieve at least 21/30 (70%) to pass this unit.

Module 3 - ASSM

Unit 7: This unit comprises 6 case studies each with 10 linked MCQs. You need to achieve at least 42/60 (70%) to pass this unit.

Qualification grading

The overall qualification will be graded pass only. However, you will be able to achieve passes at merit level and distinction level within each unit of CeMAP.

Individual unit grading is detailed further within each unit appendix.

Feedback is provided within your analysis sheets (available on www.mylibf.ac.uk) for each unit to see a breakdown of your assessment performance.

Re-sit attempts

As CeMAP comprises seven units, you will only need to re-sit the unit in which you were unsuccessful.

There are no restrictions on the number of times you can re-sit a unit although each re-sit will require a new registration.

Appendices

Appendix 1 – Regulation detail

This document describes the regulation detail that is applicable to the qualification.

Qualification title (RQF)	LIBF Level 3 Certificate in Mortgage Advice and Practice (CeMAP®)
Ofqual qualification number	501/0629/6
Qualification level	3
European Qualifications Framework (EQF) level	4
Qualification Type	Occupational Qualification
Regulation start date	1 September 2010
Operational start date	1 September 2010
Assessment available in English	Yes
Assessment available in Welsh	No
Assessment available in Irish	No
Sector subject area	15. Business, Administration, Finance and Law
Sub SSA	15.1 Accounting and Finance
Total credits	24
Minimum credits at / above level	24
Guided learning hours	6
Total qualification time	241 hours
Overall grading type	Pass
Assessment methods	Multiple-choice examination
Available in	England
Qualification for ages	19+
Qualification description	The Certificate in Mortgage Advice and Practice consists of seven mandatory units. A total credit value of 24 must be obtained for achievement of the qualification.

Appendix 2 – Unit 1 – Introduction to Financial Services Environment and Products (ITFS)

This unit introduces you to the financial services industry by focusing on the structure of the UK financial services industry and the interaction between the types of financial services products and clients' requirements.

You will gain an understanding of the main asset classes and features of financial services products and an appreciation of the UK tax and benefits system. You will gain an appreciation of the process of giving financial advice along with the legal concepts relevant in financial advice.

Unit title	Unit 1: Introduction to Financial Services Environment and Products (ITFS)
Ofqual unit reference number	L / 501 / 8715
Unit level	3
Unit credit value	5
Typical study hours	50

Unit 1 assessment methodology

The assessment of Unit 1 has one component:

50 multiple-choice questions. This component of the examination is to be completed in one hour.

This component of the examination is worth 50 marks.

This unit is graded as follows:

Grade	Mark
Pass	35/50 (70%)
Pass (at merit level)	40/50 (80%)
Pass (at distinction level)	45/50 (90%)

Unit 1 Assessment Criteria / Assessment Content

Learning outcomes		Assessment criteria The learner will be assessed on the following areas:
1. Understand the purpose and structure of the UK financial services industry.	U1.1 U1.2 U1.3	The function of the financial services industry in the economy – transferring funds between individuals, businesses and government. The main institutions/organisations – markets, retail institutions, wholesale institutions, market participants. The role of the EU and of the UK government – regulation, taxation, economic and monetary policy, provision of welfare and benefits.
2. Understand the main financial asset classes and their characteristics.	U2.1 U2.2 U2.3 U2.4	Cash deposits and money market instruments. Government securities and corporate bonds and Eurobonds. Equities. Real estate – residential and commercial.
3. Understand the main financial services product types and their functions.	U3.1 U2.2 U3.3 U3.4 U3.5	Direct investment – cash, government securities and corporate bonds, equities and property, commercial money market instruments, enterprise investment schemes (EIS) and venture capital trusts (VCT). Collective investments – structure, tax and charges – OEICs / unit trusts, investment trusts, life assurance contracts, offshore funds and structured products. Mortgages and other secured and unsecured loans, bridging finance, personal and commercial loans. Tax incentivised savings. Life, health and general financial protection.
4. Understand the main financial advice areas.	U4.1 U4.2 U4.3 U4.4 U4.5 U4.6 U4.7	Budgeting. Protection. Borrowing and debt. Investment and saving. Retirement planning. Estate planning. Tax planning and offshore considerations.
5. Understand the process of giving financial advice, including the importance of regular reviews of the consumer's circumstances.	U5.1 U5.2 U5.3 U5.4 U5.5 U5.6 U5.7	The nature of the client relationship, confidentiality, trust and consumer protection. Assessing attitude to risk. Factors determining how to match solutions with consumer needs and demands. Assessing affordability and suitability. The effective use of communication skills in giving advice and how to adapt advice to customers with different capacities and needs. The importance of monitoring and review of consumers' circumstances. The Information for consumers must be given under current regulatory requirements.

<p>6. Understand the basic legal concepts relevant in financial advice.</p>	<p>U6.1 U6.2 U6.3 U6.4 U6.5 U6.6 U6.7</p>	<p>Legal persons – individuals, wills, intestacy, personal representatives (and administration of estates), trustees, companies, limited liabilities and partnerships. Contract, capacity to contract. Agency. Real estate, personal property and joint ownership. Power of attorney and substituted decision making. Insolvency and bankruptcy. Identifying potential scams / notifying and reporting of scams / awareness of the impact of scams.</p>
<p>7. Understand the UK taxation and social security systems and how they affect personal financial circumstances.</p>	<p>U7.1 U7.2 U7.3 U7.4 U7.5 U7.6 U7.7 U7.8 U7.9</p>	<p>Concept and importance of residency, domicile and reciprocal tax treaties. UK Income tax system – liability to income tax, allowances, reliefs, rates, employed and self-employed income and priorities for taxing different classes of income. Capital gains tax – liability to CGT, disposals, death, deductions, losses, main reliefs and exemptions and basic calculation of chargeable gains. Inheritance tax – liability to IHT, main exemptions and calculation of IHT liabilities. Corporation tax. Stamp duty on securities, including real estate and real estate funds. Taxation of investments and property. National insurance. State benefits and HMRC Tax Credits.</p>
<p>8. Understand the impact of inflation, interest rate volatility and other relevant socio-economic factors on personal financial plans.</p>	<p>U8.1 U8.2 U8.3</p>	<p>Definition and common measure of inflation, deflation, disinflation and relevant indices. The different types of interest rates and what factors they impact over time. Economic cycles and market volatility.</p>

Appendix 3 – Unit 2 – UK Financial Services and Regulation (UKFS)

Unit narrative

This unit introduces you to the regulation of UK financial services and the relationship between regulation and legislation. It highlights the role of the Financial Conduct Authority and Prudential Regulation with regard to regulating firms and individuals. You will also gain an insight into other financial services regulations and codes of conduct which are relevant to the process of advising clients.

Unit title	Unit 2: UK Financial Services and Regulation (UKFS)
Ofqual unit reference number	R / 501 / 8716
Unit level	3
Unit credit value	4
Typical study hours	38

Unit 2 assessment methodology

The assessment of Unit 2 has one component:

50 multiple-choice questions. This component of the examination is to be completed in one hour.

This component of the examination is worth 50 marks.

This unit is graded as follows:

Grade	Mark
Pass	35/50 (70%)
Pass (at merit level)	40/50 (80%)
Pass (at distinction level)	45/50 (90%)

Unit 2 learning outcomes / assessment criteria

Learning outcomes		Assessment criteria The learner will be assessed on the following areas:
1. Understand the main aims and activities of the Financial Conduct Authority (FCA)/PRA and their requirements for ethical conduct by firms and individuals.	K1.1 K1.2 K1.3 K1.4 K1.5 K1.6	The role, activities and statutory objectives of the FCA and PRA. Key features of the FCA's principles for businesses. The approach to and requirements for the fair treatment of customers, conduct risk and customer outcomes. Arrangements, systems and controls for senior managers. Authorisation, supervision, appointed representatives and the fit and proper test for senior managers and certified persons under the approved persons (APER) or Code of Conduct (COCON) as appropriate. The prevention of financial crime including market abuse, insider dealing and whistle blowing.
2. Understand how legislation (other than tax legislation) and regulations impact upon firms and the process of advising clients.	K2.1 K2.2 K2.3 K2.4 K2.5 K2.6	UK legislation and EU directives. The role of relevant Government departments, including the Treasury, HM Revenue and Customs, the Department of Work & Pensions, (Ministry of Justice, CMCs) and the National Crime Agency. The role of the Competition and Markets Authority (CMA). The Pensions Regulator (TPR's) rules with respect to occupational pension schemes. Unfair contract terms and Consumer Rights Act. The role of guidance services including statutory and third sector guidance services.
3. Understand the role of oversight groups and other influencing bodies.	K3.1 K3.2	Internal and external auditors, trustees and compliance. Codes of conduct, professional bodies and trade associations.
4 Understand the regulator's approach to regulating firms and individuals.	U1.1 U1.2 U1.3 U1,4	Authorisation of firms, regulated activities and regulated investments, firms' status. Capital adequacy and liquidity. Regulatory approaches to supervision. Discipline and enforcement including notification requirements and Statements of Professional Standing (SPSs).
5. Understand how the regulator's rules affect the control structures of firms and their relationship with the regulator.	U2.1 U2.2 U2.3	Approved persons and controlled functions. Reporting and record keeping. Training and competence rules.

<p>6. Understand how the regulator's Conduct of Business Rules apply to the process of advising clients and customers.</p>	<p>U3.1 U3.2 U3.3 U3.4 U3.5 U3.6 U3.7 U3.8 U3.9 U3.10 U3.11 U3.12 U3.13</p>	<p>Advertising and financial promotion rules. Types of customer. Terms of business and client agreements. Status of advisers and status disclosure to customers. Suitability of advice. Advice and know your customer rules / robo-advice. Execution only sales, appropriateness and insistent clients. Fees, charges and commissions. Cooling off, cancellation and reflective periods. Product disclosure and risk disclosure statements. Regulatory rules for mortgage advice (MCOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure and cancellation. Regulatory rules for general insurance advice (ICOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure and cancellation. Banking Conduct of business (BCOB) and Payment Services Directive.</p>
<p>7. Understand how the Anti-Money Laundering regulations apply to dealings with clients and customers.</p>	<p>U4.1 U4.2 U4.3 U4.4 U4.5 U4.6 U4.7 U4.8 U4.9</p>	<p>Definition of financial crime and proceeds of crime. Money laundering regulations. Money laundering offences and the Terrorism Act. Client identification procedures and credit reference agencies. Record keeping requirements. Reporting procedures. Training requirements. The role of the Financial Action Task Force. Anti Bribery and Corruption.</p>
<p>8. Understand the main features of the rules for dealing with complaints and compensation.</p>	<p>U5.1 U5.2 U5.3 U5.4 U5.5 U5.6</p>	<p>Consumer rights and remedies, including awareness of their limitations. Firms internal complaints procedures. The Financial Ombudsman Service (FOS). The Financial Services Compensation Scheme (FSCS). The Pension Ombudsman. The Pension Protection Fund.</p>
<p>9 Understand the role of the Information Commissioner's Office (ICO).</p>	<p>U6.1 U6.2 U6.3</p>	<p>Definitions in the Data Protection Act. The data protection principles. Enforcement of the Data Protection Act.</p>

Appendix 4 – Unit 3 – Mortgage Law, Policy Practice and Markets (MLPP)

Unit narrative

This unit introduces you to the regulation of the different types of mortgages and equity release products. It provides an overview of the house-buying process and the different types of borrower. You will also gain an appreciation of the Mortgage Conduct of Business Rules.

Unit title	Unit 3: Mortgage Law, Policy Practice and Markets (MLPP)
Ofqual unit reference number	Y/501/8717
Unit level	3
Unit credit value	3
Typical study hours	30

Unit 3 assessment methodology

The assessment of Unit 3 has one component:

25 multiple-choice questions. This component of the examination is to be completed in 30 minutes. This component of the examination is worth 25 marks.

This unit is graded as follows:

Grade	Mark
Pass	17/25 (68%)
Pass (at merit level)	20/25 (80%)
Pass (at distinction level)	22/25 (88%)

Unit 3 learning outcomes / assessment criteria

Learning outcomes		Assessment criteria The learner will be assessed on the following areas:
1. Understand the regulatory definition of different types of mortgage and regulated mortgage contracts.	K1.1 K1.2 K1.3	Regulatory definitions as given in MCOB. Legal definition. Definition of a regulated second charge loan.
2. Understand the house-buying process, the key parties involved and their roles.	K2.1a K2.2a K2.1b K2.2b K2.3b	England/Wales Role of estate agent, valuer, conveyancer and legal adviser. Process to contract exchange, completion and when a contract becomes binding or private treaty. OR Scotland Role of estate agent, valuer and legal adviser. Conditional and unconditional offer Acceptance, conclusion of missives, completion and private bargain.
3. Understand the process and implications of buying property at auction.	K3.1 K3.2	Requirement for funding (i.e. cash and mortgage commitment) to be in place up front. The two methods of purchasing property via auction and the procedures to complete purchase.
4. Understand the common types of borrower and how their main mortgage related requirements may differ and what factors may disqualify people from borrowing.	K4.1 K4.2 K4.3 K4.4 K4.5	Private, residential borrowers, consumer buy to let borrowers and second charge borrowers. Eligible counterparty, commercial borrowers and high net worth. Borrowers, property investors, buy to let borrowers, mortgage professionals, business borrowers and vulnerable customers. Those who will face difficulty in borrowing, impaired credit status and mortgage trapped. Those who cannot borrow.

<p>5. Understand the main requirements of the MCOB rules and the legislation affecting mortgages.</p>	<p>U1.1 U1.2 U1.3</p>	<p>Role and responsibilities of the lender. Role and responsibilities of the adviser. Other legislation affecting mortgages: England Consumer Protection from Unfair Trading Regulations 2008 and 2014; Contract Law; Principles of Agency; Consumer credit legislation; Legal obligations and guarantors; Lenders Rights and Borrowers Covenant; Financial Services and Markets Act 2000 and Financial Services Act 2012 (including the Mortgages and Home Finance: Conduct of Business Rules); and Mortgage Credit Directive.</p> <p>OR</p> <p>Scotland Policies, as determined by the Scottish Executive, affecting the mortgage process and property market in Scotland: Matrimonial Homes Act (e.g. single borrowers require an affidavit); Tenancy Act; Mortgage Rights Act; Statutory Repair Act; Bankruptcy Act (refers to 'sequestration' in Scotland); Land Tenure Reform Act; Feu disposition (reference Land Certificate in England/Wales); and Court decree (reference County Court Judgment in England/Wales).</p>
<p>6. Understand the economic and regulatory context for giving mortgage advice.</p>	<p>U2.1 U2.2 U2.3 U2.4 U2.5</p>	<p>The property market and the main conditions that affect it. Interest rates and their drivers. The UK mortgage lending sector. Buy to let and consumer buy to let mortgages. Mortgage and second charge regulation (MCOB).</p>

Appendix 5 – Unit 4 – Mortgage Applications (MAPP)

Unit narrative

This unit introduces you to the mortgage application process and procedures. It provides you with an understanding of the role of the mortgage adviser, the different types of fees and charges relating to mortgage application and the factors affecting the valuation of a property and the different types of valuation.

Unit title	Unit 4: Mortgage Applications (MAPP)
Ofqual unit reference number	D/501/8718
Unit level	3
Unit credit value	3
Typical study hours	30

Unit 4 assessment methodology

The assessment of Unit 4 will have one component:

25 multiple-choice questions. This component of the examination is to be completed in 30 minutes. This component of the examination is worth 25 marks.

This unit will be graded as follows:

Grade	Mark
Pass	17/25 (68%)
Pass (at merit level)	20/25 (80%)
Pass (at distinction level)	22/25 (88%)

Unit 4 learning outcomes / assessment criteria

Learning outcomes		Assessment criteria The learner will be assessed on the following areas:
1. Understand the role of a Mortgage Adviser and the principles of providing advice to deliver a fair outcome for the customer.	U1.1 U1.2 U1.3 U1.4 U1.5 U1.6 U1.7	Affordability. Suitability. Risk. Term of mortgage. Principles of ethical advice, including regulatory guidance (for example and Treating Customers Fairly). Methods of verifying information supplied by consumers (plausibility). Methods of checking that mortgage solutions match consumer immediate and long term needs and circumstances.
2. Understand the use of additional forms of security.	U2.1 U2.2	The implications for a lender and borrower of taking additional forms of security. higher lending charges, guarantors and surety. The rules and regulations governing additional forms of security.
3. Understand the fees and charges involved in arranging a mortgage.	U3.1 U3.2 U3.3	Fees and charges relating to the purchase of the property, including relevant taxes (Stamp Duty Land Tax and Land and Buildings Transaction Tax) legal / solicitors fees, Local Authority searches, bankruptcy searches, money transfer costs and environmental searches, e.g. flooding, mining, survey fees EPCs and other specialist reports and title indemnity fees. Fees and charges relating to the purchase of the mortgage arrangement / booking fees, lenders reference fees, land registry fees, valuation fees, estate agent fees and higher lending charge Fees and charges relating to the provision of mortgage advice broker fees and mortgage exit administration fees.
4. Understand the principal types of property defect that surveys can identify and understand their implications when seeking a mortgage, including the options available to consumers and lenders.	K4.1 K4.2 K4.3 K4.4	Main property defects. How property defects may affect the lending decision. Possible remedial works and actions lenders may take. Guarantee schemes for new homes.

<p>5. Understand the principal factors affecting the value of property.</p>	<p>U5.1 U5.2 U5.3 U5.4 U5.5 U5.6</p>	<p>The implications for customers seeking mortgages of the principal factors affecting property values, including but not limited to type of property, location, building materials and any restrictions and age of property.</p> <p>When customers should seek advice on property values including but not limited to reinstatement value.</p> <p>The implications for lenders of the principal factors affecting property values and the security, including but not limited, to multiple use, vacant possession and buy to let rental income.</p> <p>Legal issues affecting property values and the security easements, including but not limited to, rights of way, due diligence enquiries, including but not limited, to outstanding disputes, covenants, property tenure freehold, commonhold and leasehold (England & Wales).</p> <p>Insurability issues and whether it is insurable.</p> <p>Risk of flooding, subsidence and heave, contract guarantees, listed and heritage.</p>
<p>6. Understand the different forms of valuation and survey and which might be appropriate for different properties and / or the borrower's circumstances.</p>	<p>U6.1 U6.2 U6.3</p>	<p>Forms of valuation and / or survey (basic valuation, condition report, HomeBuyer report and Building Survey).</p> <p>Requirements of lenders.</p> <p>Rights of the consumer.</p>

Appendix 6 – Unit 5 – Mortgage Related Protection Products

Unit narrative

This unit introduces you to the protection market with an overview of the range of mortgage related protection products available and their suitability in the event of death, illness or disability. It also covers house insurance, including landlord insurance and insurance for self-build projects.

Unit title	Unit 5: Mortgage Related Protection Products
Ofqual unit reference number	H/501/8719
Unit level	3
Unit credit value	2
Typical study hours	22

Unit 5 assessment methodology

The assessment of Unit 5 will have one component:

20 multiple-choice questions. This component of the examination is to be completed in 24 minutes.

This component of the examination is worth 20 marks.

This unit will be graded as follows:

Grade	Mark
Pass	14/20 (70%)
Pass (at merit level)	16/20 (80%)
Pass (at distinction level)	18/20 (90%)

Unit 5 learning outcomes / assessment criteria

Learning outcomes		Assessment criteria The learner will be assessed on the following areas:
1. Understand the need for financial protection planning.	1.1 1.2	Understand income and capital protection needs: health, incapacity and accident; income, mortgage and other debt; death; and asset protection (house insurance). Identify the relationships between insurance and assets and liabilities.
2. Identify the main sources of financial protection.	2.1 2.2 2.3	Identify the main sources of financial protection from: the state; an employer; life assurance and pension policies; health and other insurance products; and asset protection - home, landlord and self-build insurance. Understand the main state benefits and limitations that apply to a mortgage consumer. Identify the types of mortgage repayment support available.
3. Identify the regulation of insurance products and how it provides consumer protection.	3.1	Identify pre- and post-contract disclosures, including: demands and needs statement; illustration; and cancellation.
4. Understand the main features of life assurance protection policies and options to meet consumers' financial protection needs.	4.1 4.2	Understand the features and uses, benefits and disadvantages of life assurance and pension-based protection policies and how they meet consumers' needs. Understand policy definitions, rider benefits and exclusions, including: terminal illness benefit; assignment; surrender; paid-up policies; and increasing benefit cover options.
5. Understand the range and application of income protection to meet consumers' financial protection needs.	5.1 5.2	Understand the features and uses, benefits and disadvantages of income protection policies. Understand policy definitions and exclusions.

6. Understand the range and application of critical illness to meet consumers' financial protection needs.	6.1 6.2	Understand the features and uses, benefits and disadvantages of critical illness policies. Understand policy definitions and exclusions.
7. Understand the main features of insurance based mortgage protection policies.	7.1 7.2	Understand personal accident, sickness insurance, accident sickness and unemployment. Understand the use of payment protection insurance for mortgage agreements.
8. Understand the needs and priorities in selecting appropriate financial protection solutions.	8.1 8.2 8.3	Identify priorities, risks and choices in selecting financial protection for consumers. Understand current, future capital and income needs. Identify suitability of different financial protection product types and options, particularly: understand consumer's priorities; understand existing financial protection policies and features, in order to consider their continued use; identify suitable solutions; and identify features and disadvantages of recommended policies.

Appendix 7 – Unit 6 – Mortgage Payments Methods, Products and Post-completion Issues

Unit narrative

This unit introduces you to:

- the different types of mortgage products;
- repayment methods;
- an understanding of the suitability of each type of mortgage for different clients;
- the processes and procedures for raising additional money on an existing mortgage; and
- the treatment of clients who experience difficulties in repaying their mortgage and the different types of assistance for people who are experiencing mortgage difficulties.

Unit title	Unit 6: Mortgage Payments Methods and Post-completion Issues (MAPC)
Ofqual unit reference number	Y/501/8720
Unit level	3
Unit credit level	5
Typical study hours	45

Unit 6 assessment methodology

The assessment of Unit 6 will have one component:

30 multiple-choice questions. This component of the examination is to be completed in 36 minutes. This component of the examination is worth 30 marks.

This unit will be graded as follows:

Grade	Mark
Pass	21/30 (70%)
Pass (at merit level)	24/30 (80%)
Pass (at distinction level)	27/30 (90%)

Unit 6 learning outcomes / assessment criteria

Learning outcomes		Assessment criteria The learner will be assessed on the following areas:
1. Understand the structure and features of different types of mortgage.	U1.1 U1.2 U1.3 U1.4 U1.5 U1.6	The different repayment methods for mortgage arrangements repayment mortgages, interest only mortgages and interest only into retirement. The different interest rate options available: Standard variable rate, tracker rates, fixed rates, capped rates (including capped and collared) and discounted rates (including cash back/gift-fees help only). The different types of mortgage product and how they suit consumer needs: flexible mortgages, offset mortgages, equity release (including home reversion plans), self-build mortgages, foreign currency mortgages, new build mortgages, buy to let mortgages, consumer buy to let mortgages, adverse credit/sub-prime mortgages, second charge lending, bridging finance, implications for the consumer of the under-performance of repayment options and repayment vehicles used in conjunction with interest only mortgages. The different forms of Government backed incentives for home purchasers, including help to buy and right to buy schemes. The different forms of shared ownership arrangements, including shared ownership mortgages and equity share mortgages. Islamic home finance arrangements.
2. Understand the principles, procedures and considerations associated with raising additional money.	U2.1 U2.2 U2.3 U2.4 U2.5 U2.6	Further advances. Re-mortgages. Second charge loans. Bridging finance. Lifetime mortgage and home reversion schemes – Further drawdown. Local authority planning consent and building regulations.
3. Understand the principles, procedures and costs of transferring and amending mortgages.	U3.1 U3.2 U3.3 U3.4 U3.5 U3.6 U3.7	Transfer of mortgage to a new lender. Implications of property moves. Converting one mortgage to another. Adding/removing one party from or to a joint mortgage / transfer of equity. Redeeming a mortgage or secured loan before/at the its term. Making additional/lump sum capital repayments on a mortgage, during its term. Porting mortgages.
4. Understand the implications of consolidating debt appropriately within a mortgage.	U4.1 U4.2 U4.3 U4.4	Implications for consumers and lenders of using mortgages and secured loans within debt consolidation arrangements. Rules and regulations relating to using mortgages and secured loans within debt consolidation arrangements. Risks associated with moving loans from unsecured to secured status. Arrangements with creditors, referring for specialist advice.

<p>5. Understand the implications of the non-payment of mortgages and other breaches of the Mortgage Deed.</p>	<p>U5.1 U5.2 U5.3 U5.4 U5.5 U5.6</p>	<p>The content of a mortgage warning, when this should be issued and ensuring that this is understood. Possible courses of action available to lenders and borrowers. Regulatory requirements regarding the treatment of borrowers in arrears. The implications of legislation, governing the treatment of those in arrears (Mortgage Rights Act (Scotland)). Implications for borrowers and lenders of the non-repayment of capital at the end of the mortgage term. Ways of advising borrowers in arrears who have differing attitudes to risk.</p>
<p>6. Understand the legal rights and remedies available to lenders in respect of non-payment from borrowers.</p>	<p>U6.1 U6.2 U6.3</p>	<p>Rights of subrogation of insurers to pursue borrowers. Legal remedies on default. MCOB rules and regulations governing the use of remedies on default.</p>

Appendix 8 – Unit 7 – Assessment of Mortgage Advice Knowledge (ASSM)

Unit narrative

This unit enables you to provide an holistic assessment of client's mortgage needs. You will gain an understanding of the analysis of clients' circumstances in order to provide suitable solutions.

Unit title	Unit 7: Assessment of Mortgage Advice Knowledge (ASSM)
Ofqual unit reference number	D/501/8721
Unit level	3
Unit credit level	2
Typical study hours	20

Unit 7 assessment methodology

The assessment of Unit 7 will have one component:

6 case studies each with 10 multiple-choice questions. This component of the examination is to be completed in 2 hours. This component of the examination is worth 60 marks.

This unit will be graded as follows:

Grade	Mark
Pass	42/60 (70%)
Pass (at merit level)	48/60 (80%)
Pass (at distinction level)	54/60 (90%)

Unit 7 learning outcomes / assessment criteria

Learning outcomes		Assessment criteria The learner will be assessed on the following areas:
1. Analyse the key features of different mortgage solutions and their suitability for different customer's circumstances.	An1.1 An1.2 An1.3 An1.4 An1.5 An1.6	The different factors that shape a customer's circumstances. Assessing affordability, suitability and sustainability of mortgage solutions. The range of interest rate solutions available to customers. The range of mortgage and protection products available to customers. The different mortgage repayment solutions for customers. The different forms of alternative home finance solutions and government backed incentives.
2. Analyse the key features of different forms of property purchase and specialist mortgage lending and their suitability for different customer's circumstances.	An2.1 An2.2 An2.3 An2.4 An2.5 An2.6 An2.7	The different factors that shape a customer's circumstances and borrowing purposes in the Buy to Let, second charge and bridging finance marketplace. The different factors that shape a customer's circumstances and borrowing for second homes, self-build properties and properties bought at auction. The legal implications and issues associated with a property purchase. The range of solutions in the bridging finance and the second charge lending market and the suitability of solutions for a customer. The Buy to Let and Consumer Buy to Let customer and suitable mortgage solutions. The range of solutions available for additional funding on a secured lending basis. The different taxation implications related to property ownership.
3. Apply the rules and regulations governing mortgage lending, mortgage advice and the sale of associated mortgage protection arrangements.	A1.1 A1.2 A1.3 A1.4 A1.5	The rules contained within MCOB relating to mortgage lending. The rules contained within MCOB relating to the provision of mortgage advice. The rules contained within ICOB relating to the sale of mortgage related insurances. The rules contained within the Consumer Credit Acts for secured lending. The rules contained within MCOB relating to the treatment of those in arrears and the rules governing legal remedies on default.

4. Apply the principles of ethical and sustainable advice to suit customers' circumstances.	A2.1	The assessment of affordability and the suitability of sustainable solutions for mortgage customers.
	A2.2	The provision of regulated mortgage advice for property purchasers.
	A2.3	The provision of advice relating to the release of further equity for mortgage customers.
	A2.4	The provision of advice to BTL, CBTL customers and property investors.
	A2.5	The provision of advice on bridging finance and second charge lending.
	A2.6	The provision of advice on other forms of home finance arrangements.
	A2.7	The provision of advice on mortgage related insurance protection arrangements.