

Level 3 Certificate in Mortgage Advice (CeMAP®)

Qualification Specification



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Purpose of the qualification

Why study the Certificate in Mortgage Advice and Practice?

The Certificate in Mortgage Advice and Practice (CeMAP[®]) is primarily designed for students aged 19+ although students aged 16-18 are also eligible to study for this qualification, for example through an apprenticeship. It 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.

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 need for different types of mortgage.
- Assessment of affordability and suitability of different mortgage options and associated products.

Qualification learning outcomes

On completing this qualification, you will:

Unit 1

LO	Detail	Assess area
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 impact of inflation, interest rate volatility and other socio-economic factors relating to personal financial plans	8

Unit 2

LO	Detail	Assess area
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	Assess area
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	Assess area
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	Assess area
LO23	understand the key features of the different types of mortgage repayment options and their benefits and drawbacks for different types of borrower	1
LO24	understand the key features of the different types of mortgage product and interest rate options	2 & 3
LO25	understand the main features and functions of different forms of life assurance and other insurances	4

Unit 6

LO	Detail	Assess area
LO26	understand the principles and procedures associated with raising additional money and the circumstances when further borrowing might be appropriate	1
LO27	understand the principles, procedures and costs of transferring mortgages	2
LO28	understand the principles of using mortgages within debt consolidation arrangements	3
LO29	understand the implications for the borrower of the non-payment of mortgages, other breaches of the Mortgage Deed, non-payment of building insurance and the options available	4
LO30	understand the legal rights and remedies available to lenders in respect of non-payment from borrowers	5
LO31	understand the main provisions made by the State to assist consumers in difficulties over the repayment of mortgages	6

Unit 7

LO	Detail	Assess area
LO32	analyse consumers' circumstances and suitable mortgage solutions taking account of any existing arrangements	1
LO32	apply suitable mortgage solutions to specific consumers' circumstances	2

Key skills developed

The qualification will encourage you to:

- develop an understanding of how 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
- increase 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 Level 3.

Recognition of prior learning

We recognise prior learning in different forms. This means that you may not be required to register for every unit. 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 an apprenticeship standard 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 [Gov website](#).

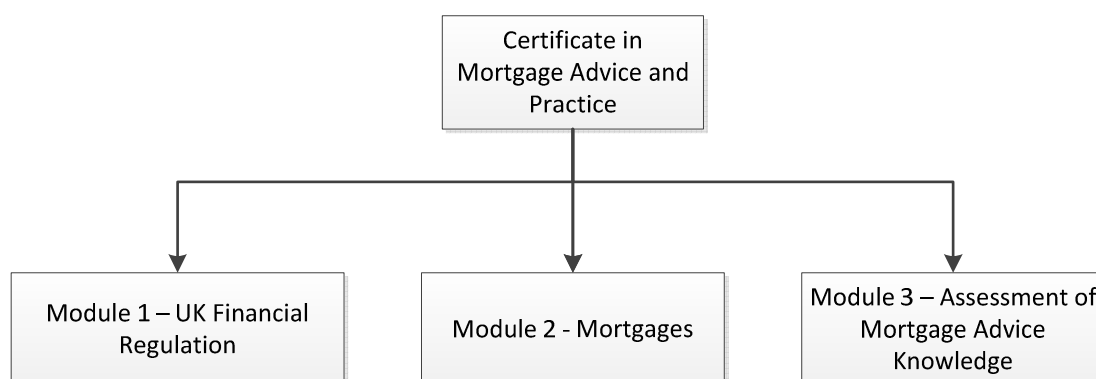
Preparation for employment

CeMAP[®] meets the FCA's examination requirements for mortgage advisers. It also develops knowledge and understanding of financial services and mortgage advice and enhances skills that are valued within that sector and others. You will be in a position to make informed choices, whether to pursue a career within the financial services sector immediately or after further study, or whether to 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 Payment Methods and Products (MPMP)

Unit 6: Mortgage Arrears and Post-Completions Issues (MAPC)

Module 3 - ASSM

Unit 7: Assessment of Mortgage Advice Knowledge (ASSM)

The detailed profiles are available at the end of this document and latest versions are always available through our course [website](#).

Total Qualification Time (TQT)

Total Qualification Time (TQT) is a prediction of the total time the typical student may 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, completing coursework, completing homework, exam preparation, and formal assessments.

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

Guided Learning Hours	0 hours
Other hours	230 hours
Total Qualification Time	230 hours

Learning resources

The following learning resources are provided as part of the initial registration:

- Hard copy versions of learning materials;
- Online access via **My LIBF** to learning materials and to KnowledgeBank (virtual library); and
- Unit syllabuses.

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

- Specimen examination papers;
- An online support service; and
- A CeMAP Revision Tool (CRT).

What to do before the assessment

You must be registered to sit an examination at a centre of your choice; managed by you. Examinations are sat electronically at any one of the 150 Pearson VUE test centres across the UK. 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 units are mandatory and assessed. Each unit is assessed via the following method:

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, 5 & 6: Each unit comprises 25 stand-alone MCQs. You need to achieve at least 17/25 (68%) to pass each 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.

The structure of the assessment ensures that all aspects of the course content are subject to external examination.

Qualification grading

The overall qualification will be graded pass only. However, you will be able to achieve graded passes at merit and distinction level as set out in each unit specification.

Feedback is provided in 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 resit the unit in which you were unsuccessful. There are no restrictions on the number of times you can resit a unit although each resit 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
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	15.1 Accounting and Finance
Total credits	23
Minimum credits at / above level	23
Guided learning hours	0
Total qualification time	230
Overall grading type	Pass
Assessment methods	Multiple-choice examination
Qualification description	The Certificate in Mortgage Advice and Practice consists of seven mandatory units. A total credit value of 23 must be obtained for achievement of the qualification.

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

Unit narrative

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 along with 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
Typical study hours	52

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Unit 1 assessment methodology

The assessment of Unit 1 will have one component:

- a. 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 will be 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 learning outcomes / assessment criteria

Assessment criteria The learner when awarded credit for this unit will understand:		Assessment content The learner will be assessed on the following areas:
1 The purpose and structure of the UK financial services industry	U1.1 U1.2 U1.3 U1.4	The function of the financial services industry in the economy – transferring funds between individuals, businesses and government – risk management The main institutions/organisations – markets, retail institutions, wholesale institutions, credit unions The role of the EU and of the UK government – regulation, taxation, economic and monetary policy, provision of welfare and benefits The purpose and position of clearing and settlement organisations
2 The main financial asset classes and their characteristics, covering past performance, risk and return	U2.1 U2.2 U2.3 U2.4 U2.5 U2.6	Cash deposits and money market instruments Government securities and corporate bonds – fixed interest and index linked Equities Real estate – residential and commercial Commodities Foreign exchange
3 The main financial services product types and their functions	U3.1 U2.2 U3.3 U3.4 U3.5 U3.6 U3.7	Direct investment – cash, government securities and corporate bonds, equities and property, commercial money market instruments, enterprise investment schemes (EIS), venture capital trusts (VCT) Collective investments – structure, tax and charges – OEICs/unit trusts, investment trusts, life assurance contracts, offshore funds Derivatives – their structure and purpose Mortgages and other loans – personal and commercial Pensions Structured products Protection products – life and general
4 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
5 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 The information required from consumers and methods of obtaining it Factors determining how to match solutions with consumer needs and demands How to assess affordability and suitability The importance 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 Information for consumers and when it should be provided (outline only)
6 The basic legal concepts relevant in financial advice	U6.1 U6.2 U6.3 U6.4 U6.5 U6.6	Legal persons – individuals, wills, intestacy, personal representatives (and administration of estates), trustees, companies, limited liabilities, partnerships Contract, capacity to contract Agency Real estate, personal property and joint ownership Power of attorney, enduring power of attorney and lasting power of attorney Insolvency and bankruptcy, Individual Voluntary Arrangements (IVAs), CVAs

7 The UK taxation and social security systems and how they affect personal financial circumstances	U7.1 U7.2 U7.3 U7.4 U7.5 U7.6 U7.7 U7.8 U7.9 U7.10	Concept of residency/domicile UK Income tax system – liability to income tax, allowances, reliefs, rates, grossing up interest and dividends, employed and self-employed income, self-assessment deadlines, priorities for taxing different classes of income, gift aid, Give As You Earn Capital gains tax – liability to CGT, disposals, death, deductions, losses, main reliefs and exemptions, calculation of chargeable gains Inheritance tax – liability to IHT, main exemptions, calculation of IHT liabilities Corporation tax Stamp duty land tax and stamp duty reserve tax on securities VAT and Insurance Premium Tax Withholding tax National insurance State benefits
8 The impact of inflation, interest rate volatility and other relevant socio-economic factors on personal financial plans	U8.1 U8.2 U8.3	Definition of inflation, deflation, disinflation The difference between fixed and variable interest rates and their impact The impact of socio-economic factors and how they affect the affordability, suitability and performance of financial products in both the long and short term

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 interplay 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
Typical study hours	38

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Unit 2 assessment methodology

The assessment of Unit 2 will have one component:

- a. 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 will be 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 outcome (LO) The learner when awarded credit for this unit will understand:		Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can understand:
1 The main aims and activities of the Financial Conduct Authority (FCA) and its approach to ethical conduct by firms and individuals	K1.1 K1.2 K1.3 K1.4 K1.5 K1.6 K1.7 K1.8	The FCA's objectives, roles, activities and powers The FCA's principles for businesses and approved persons – how they reflect the need for ethical behaviour by firms and approved persons, FCA guidance The approach to, and requirements for, treating customers fairly Arrangements, systems and controls for senior managers The fit and proper test for approved persons The prevention of financial crime The role of the PRA and concept of dual regulated firms The FCA's role in the regulation of consumer credit, competition and contract terms
2 How other non-tax laws, regulations and codes of conduct are relevant to firms and to the process of advising clients	K2.1 K2.2 K2.3 K2.4	Equity Release Council The Pensions Regulator Advertising Standards Authority; Lending Code EU directives
3 The role of oversight groups	K3.1	The role of internal and external auditors, trustees and compliance function
4 The regulator's approach to regulating firms and individuals	U1.1 U1.2 U1.3 U1.4 U1.5	Authorisation of firms, regulated activities & regulated investments, firms' status Capital adequacy and liquidity Supervision and the risk based approach Discipline and enforcement including notification requirements Regulatory developments
5 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
6 How the regulator's Conduct of Business Rules apply to the process of advising clients/ customers	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 U3.14	Advertising and financial promotion rules Types of client Information about the firm's services, including client agreements Status of advisers and status disclosure to customers Identifying client circumstances and needs Suitability of advice Execution only, non-advised sales and statements of demands and needs Charges and commissions Cooling off and cancellation Product disclosure and risk disclosure statements Simplified advice on the stakeholder suite of products Regulatory rules for mortgage advice (MCOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure, cancellation Regulatory rules for general insurance advice (ICOB) – status disclosure, initial disclosure document, charges, suitability, product disclosure, cancellation Banking Conduct of business (BCOB) and Payment Services Directive
7 How the Anti-Money Laundering regulations apply to dealings with clients/customers	U4.1 U4.2 U4.3 U4.4 U4.5 U4.6 U4.7 U4.8	Definition of financial crime and proceeds of crime Money laundering regulations and offences, the Terrorism Act 2000, Proceeds of Crime Act 2002 Client identification procedures Record keeping requirements Reporting procedures, Training requirements Enforcement The role of the Financial Action Task Force and the National Crime Agency (NCA)

8 The main features of the rules for dealing with complaints and compensation	U5.1 U5.2 U5.3 U5.4 U5.5	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
9 How the Data Protection Act 1998 affects the provision of financial advice and the conduct of firms generally	U6.1 U6.2 U6.3	Definitions in the Data Protection Act The data protection principles Enforcement of the Data Protection Act

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
Typical study hours	30

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Unit 3 assessment methodology

The assessment of Unit 3 will have one component:

- a. 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 3 learning outcomes / assessment criteria

Learning outcome	Assessment criteria
A learner when awarded credit for this unit will:	Assessment of this learning outcome will require a learner to demonstrate that they can :
1. Know the regulatory definition of different types of mortgages, Buy to Let mortgages, Consumer Buy to Let mortgages, second charges and equity release	K1.1 regulatory definitions as given in the Handbook
2. Know the house-buying process, the key parties involved and their roles	<p><i>England/Wales</i></p> <p>K2.1a role of estate agent/valuer/conveyancer/legal adviser; K2.2a process from offer/private treaty to contract exchange/completion and when a contract becomes binding; K2.3a gazumping and gazundering</p> <p>OR</p> <p><i>Scotland</i></p> <p>K2.1b role of estate agent/valuer/legal adviser; K2.2b conditional/unconditional offer; K2.3b private bargain; K2.4 acceptance/completion/conclusion of missives;</p>
3. Know the process and implications of buying property at auction	<p>K3.1 requirement for funding (ie cash/mortgage commitment) to be in place up front;</p> <p>K3.2 contracts exchanged, with associated deposit, on the day</p> <p>K3.3 different methods of purchasing property via auction</p>
4. Know the common types of borrower and how their main mortgage related requirements may differ and what factors may disqualify people from borrowing	<p>K4.1 private/residential borrowers;</p> <p>K4.2 intermediary/business/commercial borrowers (outline only);</p> <p>K4.3 high net worth</p> <p>K4.4 mortgage professionals</p> <p>K 4.5 vulnerable customers</p> <p>K4.6 consumer buy to let</p> <p>K4.7 buy to let investors</p> <p>K4.8 second charge borrowers</p> <p>K4.9 individuals who are mortgage trapped</p> <p>K4.10 impaired credit status</p> <p>K4.11 those who cannot borrow:</p> <ul style="list-style-type: none"> • undischarged bankrupts; • mentally incapacitated; • minors

<p>5. understand the main requirements of the Mortgage Conduct of Business Rules and the legislation affecting mortgages</p>	<p>U1.1 Consumer Protection from Unfair Trading Regulations 2008 and 2014 U1.2 Contract Law U1.3 Principles of Agency U1.4 Consumer credit legislation U1.5 Legal obligations and guarantors U1.6 Lenders Rights and Borrowers Covenant U1.7 Financial Services and Markets Act 2000 and Financial Services Act 2012 (including the Mortgages and Home Finance: Conduct of Business Rules) U1.8 Mortgage Credit Directive</p> <p><i>England/Wales/Northern Ireland:</i> U1.9 Property Law</p> <p>OR</p> <p><i>Scotland:</i> U1.11 policies, as determined by the Scottish Executive, affecting the mortgage process and property market in Scotland; U1.12 Matrimonial Homes Act (e.g. single borrowers require an affidavit); U1.13 Tenancy Act; U1.14 Mortgage Rights Act; U1.15 Statutory Repair Act; U1.16 Bankruptcy Act (refers to 'sequestration' in Scotland); U1.17 Land Tenure Reform Act U1.18 Feu disposition (reference Land Certificate in England/Wales); U1.19 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 the property market and the main conditions that affect it U2.2 interest rates and their drivers U2.3 the UK mortgage lending sector U2.4 mortgage and second charge regulation: MCOB and its implications for the mortgage adviser U 2.5 buy to let and consumer buy to let mortgages</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
Typical study hours	30

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Unit 4 assessment methodology

The assessment of Unit 4 will have one component:

- a. 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 outcome	Assessment criteria
A learner when awarded credit for this unit will:	Assessment of this learning outcome will require a learner to demonstrate that they can :
1. Understand the role of a Mortgage Adviser and the importance and principles of providing advice, including the key factors affecting the advice given	U1.1 affordability; U1.2 suitability; U1.3 risk U1.4 term of mortgage U1.5 principles of ethical advice, including regulatory guidance (for example, Treating Customers Fairly) U1.6 methods of verifying information supplied by consumers (plausibility) U1.7 methods of checking that mortgage solutions match consumer immediate and long term needs and circumstances
2. Understand the purpose of additional security, including the role of guarantors	U2.1 the requirement for guarantors to be advised to seek independent legal advice U2.2 Higher lending charges and other types of security (life policies and collateral)
3. Understand the fees and charges involved in arranging a mortgage, identify where these apply, the services they cover, when they become due, which are refundable and how the opportunity for refunds diminishes as the process nears completion	U3.1 reservation fees; U3.2 application fees; U3.3 arrangement/booking fees; U3.4 lenders reference fees; U3.5 Land Registry fees; U3.6 valuation fees; U3.7 estate agent fees; U3.8 legal/solicitors fees; U3.9 Stamp Duty Land Tax / Land and Buildings Transaction Tax (LBTT); U3.10 Local Authority searches; U3.11 bankruptcy searches; U3.12 telegraphic transfer costs; U3.13 environmental searches, eg flooding, mining U3.14 Mortgage exit administration fees U3.15 survey fees EPCs and other specialist reports; U3.16 title indemnity fees; U3.17 higher lending charge U3.18 broker fees
4. Know the principal types of property defect that surveys can identify and understand their implications when seeking a mortgage, including the options available to consumers	K4.1 main property defects; K4.2 how property defects may affect the lending decision and/or require immediate remedial works. K4.3 National House Building Council guarantees and other forms of guarantee

<p>5. Understand the principal factors affecting the value of property, including their implications for consumers seeking mortgages and when consumers should be referred for specialist advice</p>	<p>U5.1 type of property; U5.2 location; U5.3 building materials and any restrictions; U5.4 age of property; U5.5 freehold/commonhold/leasehold (England & Wales); U5.6 multiple use; U5.7 vacant possession; U5.8 reinstatement value; U5.9 whether it is insurable; including but not limited to risk of flooding/subsidence/heave U5.10 planning permission; U5.11 building regulations; U5.12 contract guarantees; U5.13 listed/heritage; U5.14 easements, including but not limited to rights of way; U5.15 due diligence enquiries, including but not limited to outstanding disputes; U5.16 covenants; U5.17 buy to let rental income.</p>
<p>6. 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 forms of valuation and or survey (basic valuation, Condition Report, HomeBuyer report, Building Survey); U6.2 requirements of lenders; U6.3 rights of the consumer</p>
<p>7. the need to obtain Local Authority planning consent for house development/extensions</p>	<p>U7.1 the legal basis of local authority planning procedures U7.2 the main procedures in obtaining local authority planning consent U7.3 development limitations that apply to different categories of listed buildings</p>

Appendix 6 – Unit 5 – Mortgage Payments Methods and Products (MPMP)

Unit narrative

This unit introduces you to the different types of mortgage product and repayment method. It will provide you with an understanding of the suitability of each type of mortgage for different clients along with associated protection products.

Unit title	Unit 5: Mortgage Payment Methods and Products (MPMP)
Ofqual unit reference number	H/501/8719
Unit level	3
Typical study hours	30

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Unit 5 assessment methodology

The assessment of Unit 5 will have one component:

- a. 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 5 learning outcomes / assessment criteria

Learning outcome A learner when awarded credit for this unit will:	Assessment criteria Assessment of this learning outcome will require a learner to demonstrate that they can :
1. Understand the key features of the different types of mortgage repayment options and their benefits and drawbacks for different types of borrower	U1.1 capital and interest repayment (repayment mortgages); U1.2 interest payment (interest only mortgages); U1.3 implications for the consumer of the under-performance of repayment options U1.4 repayment vehicles used in conjunction with interest only mortgages – endowment policies; pension arrangements; ISAs; OEICS; Unit Trusts, Investment Trusts U1.5 lender’s requirement to assess performance of repayment vehicles
2. Understand the key features of the common types of mortgage product and interest rate options	U2.1 standard variable rate mortgages; U2.2 tracker mortgages (variable rate/LIBOR/base rate tracker mortgages); U2.3 fixed rate mortgages; U2.4 capped rate (including capped and collared) mortgages; U2.5 discounted rate (including cash back/gift) mortgages; U2.6 low start mortgages; U2.7 flexible mortgages; U2.8 all in one/current account mortgages/offset mortgages, including drawdown facilities; U2.9 CAT marked mortgages; U2.10 hybrid arrangement products, for example – 'part and part' mortgages U2.11 the performance and volatility of fixed and variable interest rates for different types of borrower
3. Understand the structure and features of other types of mortgage	U3.1 commercial mortgages; U3.2 equity release including home reversion plans; U3.3 low start mortgages; U3.4 self-build mortgages; U3.5 foreign currency mortgages; U3.6 new build mortgages; U3.7 buy to let mortgages (including types of tenancy); U3.8 consumer buy to let mortgages U3.9 'right to buy' Council property mortgages; U3.10 shared appreciation mortgages; U3.11 shared ownership mortgages (Housing Association); U3.12 equity share mortgages; U3.13 Government incentives including Help to buy schemes U3.14 adverse credit/sub-prime mortgages (for 'non-conforming' or 'non-status' borrowers, with, e.g. CCJs/arrears/discharged bankruptcy); U3.15 Sharia-compliant home finance (also known as Islamic home finance) U3.16 second charge lending U3.17 bridging finance

<p>4. Understand the main features and functions of different forms of life assurance and other insurances (eg mortgage payment protection insurance (MPPI), life, accident and sickness insurance (ASU), building insurance, contents insurance) associated with arranging a mortgage</p>	<p>U4.1 life assurance; Pension term assurance U4.2 accident and sickness/critical illness/unemployment/redundancy insurance U4.3 income protection insurance; U4.4 buildings and contents insurance; U4.5 waiver of premium benefit</p>
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Appendix 7 – Unit 6 – Mortgage Arrears and Post-completion Issues (MAPC)

Unit narrative

This unit introduces you to the processes and procedures for raising additional money on an existing mortgage. It will provide you with an understanding of the methods of raising extra finance, 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 Arrears and Post-completion Issues (MAPC)
Ofqual unit reference number	Y/501/8720
Unit level	3
Typical study hours	30

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Unit 6 assessment methodology

The assessment of Unit 6 will have one component:

- a. 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 6 learning outcomes / assessment criteria

Learning outcome	Assessment criteria
A learner when awarded credit for this unit will:	Assessment of this learning outcome will require a learner to demonstrate that they can :
1. Understand the principles and procedures associated with raising additional money and the circumstances when further borrowing might be appropriate	U1.1 equity release products; U1.2 further advances; U1.3 draw down facilities; U1.4 release of part security U1.5 remortgages U1.6 second mortgages; U1.7 bridging loans; U1.8 charging structures; U1.9 legal implications
2. Understand the principles, procedures and costs of transferring mortgages	U2.1 transfer of mortgage to a new lender; U2.2 implications of property moves; U2.3 converting one mortgage to another U2.4 removing or adding one party from or to a joint mortgage; U2.5 implications of redeeming a mortgage before/at the end of its term; U2.6 making additional/lump sum capital repayments on a mortgage, during its term
3. Understand the principles of using mortgages within debt consolidation arrangements	U3.1 relationship between costs/ penalties/repayments/term; U3.2 risk to the consumer associated with consolidation; U3.3 risks associated with moving loans from unsecured to secured status; U3.4 draw down facilities
4. Understand the implications for the borrower of the non-payment of mortgages, other breaches of the Mortgage Deed, non-payment of building insurance and the options available	U4.1 when to provide a mortgage warning, ensuring that this is understood; U4.2 possible courses of action available (eg Scotland mortgage to rent scheme); U4.3 regulatory requirements regarding the treatment of those in arrears; U4.4 Mortgage Rights Act (Scotland);
5. Understand the legal rights and remedies available to lenders in respect of non-payment from borrowers	U5.1 role of Citizens Advice and other agencies; U5.2 rights of subrogation of insurers to pursue borrowers; U5.3 legal remedies for the lender on default
6. Understand the main provisions made by the State to assist consumers in difficulties over the repayment of mortgages	U6.1 Support for Mortgage Interest (SMI) U6.2 52 week linking rule

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

Unit narrative

This unit enables you to provide a 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
Typical study hours	20

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Unit 7 assessment methodology

The assessment of Unit 7 will have one component:

- a. 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 outcome	Assessment criteria
A learner when awarded credit for this unit will:	Assessment of this learning outcome will require a learner to demonstrate that they can :
1. Analyse consumers' circumstances and suitable mortgage solutions taking account of any existing arrangements	1.1 Factors shaping consumers' circumstances and borrowing purposes 1.2 How to assess affordability and suitability 1.3 How to assess the long term performance of mortgage products 1.4 Methods of identifying and reviewing suitable product solutions 1.5 How to assess the impact of new solutions on existing arrangements
2. Apply suitable mortgage solutions to specific consumers' circumstances	1.1 The range of solutions available to suit different types of circumstance 1.2 The criteria for matching solutions to consumer needs and demands 1.3 How to explain interest rates, volatility and related technical matters to lay people 1.4 Factors influencing the way in which recommendations are presented 1.5 How to check consumers' understanding of recommendations 1.6 Consumer rights and the regulatory requirements apply to the provision of investment advice