

Commercial Mortgages

Unit 1 Fundamentals of Commercial Mortgages

Attainment level	Outcome/element	Indicative content
Demonstrate a knowledge of	The commercial property and mortgage market	<ul style="list-style-type: none"> • Definition of a mortgage, and the premises buying process. • The market for commercial mortgages and related solutions. • Purpose of finance
Demonstrate an understanding of	The regulatory and legal framework for the commercial mortgage market	<ul style="list-style-type: none"> • Regulatory status and legal framework <ul style="list-style-type: none"> - Financial Services and Markets Act - NACFB - Consumer Credit Act - Banking Code and Business Banking Code - Data Protection Act - Criminal Justice Act/Anti Money Laundering regulations - Proceeds of Crime Act
		<ul style="list-style-type: none"> • Business mortgage and land law <ul style="list-style-type: none"> - Company law - Tenure – freehold/leasehold - Legal interests
Demonstrate an understanding of	Commercial mortgages and alternative methods of finance	<ul style="list-style-type: none"> • Finance for the purpose of: <ul style="list-style-type: none"> - Commercial mortgage - Capital raising - pensions - reserves/cash - unsecured lending - secured lending
		<ul style="list-style-type: none"> • Implications of each for borrowers and lenders

Demonstrate an understanding of	Arranging finance for construction projects	<ul style="list-style-type: none"> • Definition of and market for construction • Lender's requirements <ul style="list-style-type: none"> - planning permission - plans - budget and costings - builders/architects - inspections • Stage payments • Risks for lender and borrower
Demonstrate an understanding of	The role of the commercial mortgage specialist	<ul style="list-style-type: none"> • Range of services • Common fees and charges and the services they cover • The principal factors affecting the value of commercial property • Seeking further specialist advice
		<ul style="list-style-type: none"> • Security for lending • Valuations
		<ul style="list-style-type: none"> • Linked services <ul style="list-style-type: none"> - secured lending - insurance, leasing - tax planning - financial planning and employee benefits
Demonstrate an ability to analyse	The mortgage proposition	<ul style="list-style-type: none"> • The basic principles of risk management • An overview of credit risk of different business sectors <ul style="list-style-type: none"> - retail - leisure and licensed premises - manufacturing - hotels and tourism - technology - agriculture - service and care industries

		<ul style="list-style-type: none"> • Information gathering <ul style="list-style-type: none"> - audited accounts - indication of business performance - profit and loss forecasts - bank statements - CV/profiles for partners/directors - Asset and liability statements for each applicant
Demonstrate an ability to apply:	Suitable solutions for client circumstances.	<ul style="list-style-type: none"> • Range of products available <ul style="list-style-type: none"> - Advantages and disadvantages - Affordability and suitability
		<ul style="list-style-type: none"> • Impact of new solutions on existing arrangements • Monitoring and reviewing arrangements
		<ul style="list-style-type: none"> • Implications of mortgage payments delinquency, other breaches of payment and the options available

Unit 2 – Commercial Mortgage Solutions

Identify consumers' needs and demands and recommend suitable and affordable commercial mortgage solutions, using knowledge and understanding of: <ul style="list-style-type: none"> - the UK finance industry and the regulatory and legal framework for giving advice - different types of commercial mortgage solutions and the criteria for determining their suitability and affordability - the role of the commercial mortgage specialist 	<ul style="list-style-type: none"> • Gather information needed to provide financial advice • Analyse information to provide financial advice • Identify appropriate commercial mortgage solutions
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