Diploma of Mortgage Broking-Kaplan

Student’s name

Institution

Course code

Date

**PART 2**

**Preparation for oral assessment**

**Question 1**

How do you assess the need to adjust your interpersonal style to talk with different types of clients or professionals? Provide one example of where your interpersonal style needs to be adjusted to accommodate a client needs. For example, where there is a language difficulty or perhaps difficulty in gaining confidence of a professional or referrer.

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| In business, we communicate daily with different audiences, which require effective utilization of our interpersonal skills. Sometimes we are required to adjust our interpersonal skills to be able to communicate effectively to create understanding. The need to adjust interpersonal style is therefore, determined by the objectives and goals of the communication (Stanford, 2018). It is important to keep in mind the objectives of each communication because it helps in designing the message that can fit the audience. For example, when faced with angry and annoyed customer, regarding delayed order. It is important to analyse and understand the points or concerns of the client. This would help to decide on the kind of language to use, which can fit the objective and goals of the communication. In the case of annoyed and angry client, it is important to find a common ground and accept the liability and then apologize to the client. This would help in finding a common ground and therefore, the communication would be effective and understanding would be achieved at the end. By accepting liability and apologizing to the client it show a high level of interpersonal skills, which is essential in the business field.  Dealing with different audience also requires high level of discipline. It is important to listen to customers and take notes of their concerns instead of interrupting them. In most cases, clients raise serious concerns, which can be ignored in business. An angry client should be treated with a lot of care, concerns raised are properly addressed. It is important to navigate communication to fit the situation rather than being adamant. And a good communicator with good interpersonal skills should be able to analyse the mood based on the goals and objectives of each communication. Therefore, the need to adjust interpersonal style is based on the objective and goals of the communication. |

**Question 2**

In Parts 3 and 4 to this assessment you will act as a broker and will be required to make oral (audio recording) responses. Prepare a list of resources and equipment you will need for these oral assessments.

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| Making oral assessment requires various equipments such as recorder and writing materials. It is advisable to have serious preparation before recording is done. However, the recorder is used to record the detail of the proceedings, which to be used at a later time. Before the oral recording is done, the preparation is required and the process of preparation includes taking notes or writing down in brief of what to be presented. It is therefore, essential to have small notes of what one is intended to say. And in this case, I will have notes in brief of what I will say in point format to avoid getting confused and stuck during the oral recording. In the notes, it is important to have brief details of the customers and the terms applied for both parties. This is likely to make the work easier and faster rather than going to oral recording session without efficient details regarding the terms. |

**Question 3**

Aside from the resources and equipment identified in Question 3, what will you do to prepare for the delivery of the loan proposal in the Part 4 Role Play? You can refer to the case study information in Part 4. What communication techniques would you use to respond to any difficult questions? *This question demonstrates your ability to plan ahead for your interaction with the customer.*

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| Delivery of loan proposal to customers is always a challenging task. However, it requires proper preparation before, making presentation of the proposal. First, it is important to have clear terms of loan including how the client shall benefit from the loan proposal and what makes the loan proposal is the ideal deal compared to other competitors. Before, the presentation of the loan proposal, it is important to conduct search about the client and understand what client might be looking for in the market. However, the effective communication technique would be listening, and conversing in interval to avoid creating confusion. |

Part 3

**Part 3: Oral response to questions**

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| Answers and Questions | Summary of oral response (assessor only) |
| **XYZ Brokers Strength and Opportunities:**  Understanding strength and opportunity is essential for business growth. Most managers have derived various tools for determination of strength and opportunities of a company. In the case of XYZ Brokers, best tools would a research to determine the performance of the company. The strength of the company would be determined based on the survey and feedbacks from clients to gauge the perception of customers regarding the service delivery.  The survey and feedbacks from clients would also help to understand how clients perceive employees and how it is related in the market against its main competitors.  The analysis of the financial statements would also be helpful in understanding the performance of the company. The strength of a company is based on its ability to deliver services, financial status, and position in the market, the experience and skills of its employees. And therefore, the research would be helpful in understanding the strength of company in the market.  Opportunities are also essential in business making, and therefore, it is important for a business to understand its opportunities in the market and how to identify them. XYZ Brokers would therefore, conduct market research to establish opportunities available for the company.  **XYZ Brokers Weaknesses and Threats**  In order to determine weaknesses and threats of a company it is important to analyse the performance of a company. XYZ Brokers Weaknesses would be established through analysis of financial performance, market performance and feedback from customers. The feedback from customers reflects the perception of customers regarding the services offered. It is therefore, an important aspect, which would be used by XYZ Brokers to find out its weaknesses and threats. The market research would be also an essential tool to determine the performance of XYZ Brokers. The market research would help in determining competitors and their competitive advantage. Since competitors and new entries are major threats for businesses, research would help in establishing market competitors and new entries to the market.  **Benchmarking data to determine performance**  XYZ Brokers benchmarking data would be financial ratios of the company and these ratios would be obtained after critical analysis of the financial performance of the company. However, to understand the performance of XYZ Brokers, its profit, market shares or stock index and debt equity ratio would be analysed or monitored. These factors would show whether a company is making profit or loses and therefore, benchmarking data would be financial reports of the company.  **Develop a plan for improvement and growth**  Every company would want to experience growth and growth is implemented based on its strategic objectives and goals. The growth plan can be improved based on the market search to determine the market demand. For instance, the sales could be improved through intensive marketing and partnership with other companies for business expansion. The market performance of XYZ Brokers would be analysed and plan for growth is developed based on the market needs. XYX Brokers would build properties and partner with other stakeholders in the industry. A business expansion or growth strategy must include marketing and therefore, the company would invest in intensive marketing. |  |
| **Expand your referral network**  Referral network are those business which would want to recommend a company to customers. Getting referral is based on the kind of job or work which a company has done. And therefore, for XYZ to get a good referral, it must effectively does it work and create value to customers. A good with good reputation would get several toss and getting a toss depends on the service delivery. Must honestly work with other companies, respect business deal and delivery on the mandate. This would include have a well trained and equipped employees. The company therefore, would be forced to train employees on the marker demand to be able to handle customers well.  **Build and maintain professional business relationships**  In order to build and maintain professional and business relationship, XYZ Brokers would be required to develop the skills of its employees. It is noted that good relationship starts with good people and therefore, it must build its employees. Again, XYZ Brokers must identify the needs of the relationship it has with other companies. Being positive and manage boundaries are also important in building and maintaining business relationship. XYZ would also have a schedule time for building relationship with other companies and this would be of a great asset to its performance.  **Expand and enhance your business’s reputation**  Business reputation is an important factor for any company. Enhancing and expanding a good reputation is a big challenge to many companies and therefore, the best strategy is offering the best service delivery in the market. Since there are several ways of enhancing business reputation, the best strategy would be working together with partners, efficient service delivery, establish a strong network, contribute to the social and economic development to the society and uphold the principles of sustainable development. These aspects would endure the people to the company and therefore, the business reputation would be maintained. |  |
| **Review of work allocations and who would you involve in the process**  It is important to review the work allocation to ensure that the company is able to deliver. The review of work allocation would be reviewed based on the performance of each employee. XYZ Brokers would review the report cards of every employee and check the deliverables to determine whether the said tasks being done as required and whether a specific employee is cable of delivery the task. The benchmark for review of the allocation is performance. Employees, who have not managed to achieve the set goals, would likely to be affected by the allocation of the tasks. Every manager would want to allocate a performing employee more tasks and therefore, the review and allocation of the task would be based on the performance of employees.  **Record of job roles would need to be developed and implemented**  The record of job roles needed to be developed would depend on the analysis of the personal and the jobs available in company. It would be important to developed customer relations manager, broker urgent or assistant broker officer. Since XYZ Brokers deals with brokerage, it is important to ensure that it has personnel equipped with skills and knowledge about brokerages and customer relations management. And therefore, the Assistant broker and customer relations manager would be key job roles which would need to be developed by the company.  **Monitor individual and team performances**  Monitoring employees’ performance is an important factor for the success of the company. XYZ Brokers would monitor employees using reporting and deliverables. The company intends to developed deliverable scheme, which all employees are supposed to fill in and return to the manager at the end of the every month. From deliverable scheme, the performance of each employee would be observed. It gives a picture of number of deals an employee as brought in and number of prospect as well. This is key in determining the performance of an employee  **Reward excellent individual and team performances**  Reward is one of the best strategies used by companies to show appreciation for best performing employees. The best strategy to give reward is through gift card to the excellence performance individual employees. The reward can also be in the form of promotion, giving bonus for excellence performance. It is one of the best methods which can be used to motivate employees. The XYZ Broker would be giving bonus, gift cards to its best performance employees. It will also promote best performance individuals as a strategy to motivate employee to perform better. |  |
| **Identify development and training needs of staff**  Every manager would want to have well knowledgeable and skilled employees. The training offered to staff depends with what they lack. Based on the market analyses revealed that the staffs need training on customer relations, interpersonal skills, Mortgage and brokerage and business etiquette. These skills are relevant to the delivery of services in the Brokerage field and they are likely to equip staffs with advance knowledge and skills in the business.  **Manage a non-performing staff member**  Managing non-performing staff is very difficult and it is challenge to many companies. The best way would be through team work and assigning specific studies to the staff. I would give him or her appropriate training, understand what motivate the employee, I will also be specific and avoid emotional confrontation. This is likely to improve the performance of an employee because of the creation of a learning environment.  **Terminate a staff member who is performing poorly**  Sometimes it forces companies to terminate the contract of underperforming employees. I will terminate the contract after an employee fails to fit and improve performance. The termination to be done procedurally through a written notification based on the terms of employment the company agreed with the specific employee. |  |
| **Deal with and prioritise each of the above responsibilities**  As a business manager, it is importance to get priority right in solving problems and working with the employees. It would be essential to lead by example, provide encouragement to the staff to participant, encourage image and profile of the business and monitor business and individual performance. These are key responsibilities of business managers. |  |
| **Analyse and document the various risk exposures in your business**  The most risk the company can get exposure to be loses due to loan default by clients. XYZ deals with properties and loans the loss of property could be one the risks.  who will be the key stakeholders that you would involve  The stakeholders are banks, property owners, government and regulatory authorities.  keep these stakeholders informed at each stage of the process and obtain their commitment to assist  yes, the stakeholders would be informed at every stage through email and memo to ensure that they are aware of every steps |  |

Part 4:

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| Client | Tom Broad | Steve Broad |
| Current address: | Unit 12, 22 Wentworth Lane, Highville, and has lived there for eight years | 23 Dury Lane, Pennant Tops and has lived there with Marie for six years. Property owned in joint names. |
| Value | $650,000 | $450,000 |
| Home phone: | 9001 2121 | 9002 1212 |
| Status | Tom is single, no dependants | Steve is married to Marie with no children |
| Employment | PAYG and has been with the same employer for 10 years | Self-employed tradesman operating as a sole trader for 12 years |
| Income | $85,000 per annum | $65,000 per annum for Steve  $30,000 per annum for Marie |
| Cash at bank | $250,000 | $150,000 |
| Superannuation | $150,000 | $150,000 (Steve), $20,000 (Marie) |
| Contents | $100,000 | $130,000 |
| Motor vehicle | $60,000 | $30,000 (Steve), $15,000 (Marie) |
| Liabilities — home loan | $300,000 @ 7.2 % P & I, term 25 years | $100,000 @ 7.2 % P & I, term 25 years |
| Liabilities — credit cards | $5,000 limit,cleared monthly, 3% min payment | $15,000 limit, $5,000 debt, 3% min payment |

Task — Role Play

You are required to complete the Role Play Oral Assessment which should take a maximum of 10 minutes.

To set the scene for this role play you are required to present your recommended loan options to clients as per their request,which is detailed in the case study. You also need tooutline to them any risks (potential and real) of which they should be aware.***For the sake of this role play activity one volunteer can represent both applicants.***

This oral presentation should focus on presenting your analysis of the brothers’ current financial position, the proposed loan structures and the perceived risks.

In developing the proposal, you should cover the following:

1. Who are the parties to the two types of loan structures?

2. How (and why) do lenders treat properties that are subject to holiday lettings differently to those that are permanently let?

3. Your proposal for structuring the two types of loan facilities – amount, term, repayments and the security that will be required for each type of loan structure.

4. What is your recommended loan structure and why? (Note: You will be assessed on the way you propose your recommendation but not on the choice of loan structure.)

5. Which lenders you would suggest for this transaction and are there any conflicts of interest in suggesting any of these?

6. Create a summary of the applicable fees and charges — including those for setup and those of the lender.

7. Identify the potential risks involved in these purchases for each loan structure, including ownership/titleissues.

8. Identify the client responsibilities and any remaining documentation needed to continue the application process (you can make any reasonable assumptions here).

9. Who in your office has been instructed to follow up on receiving documentation to lodge the application and be the liaison point for your solicitor and the lender, to ensure timelines are met? (Note: You can simply make up a name here.)

10. Outline the next steps to get through to settlement and your ongoing services.

11. Ask for questions and obtain written agreement to proceed with selected structure(you should request volunteer to ‘fake sign’ a piece of paper).

There are no rules regarding the format of your presentation, however it must be presented in a format that is succinct and easily understood by clients. Please use the format that best suits you — this could include covering the detail you have prepared in a written proposal document or from notes you have prepared prior.

The role play requires the volunteer to ask at least three(3) questions with suggested questions provided in Volunteer Guide. However; the volunteer can ask other ‘unrehearsed’ questions if they wish. Remember, you are not being judged on your acting ability. Your assessment is about how you communicate and interact with the customer. You may need to adjust your presentation of the proposal, depending on the time that questions are asked. However; to manage time, you may ask the volunteer to keep questions until you have finished presenting your recommendations.

The assessment criteria you will be assessed on includes the following:

*• identify complex broking needs of client*

*• develop rapport with clients*

*• present brokingoptions to the clients*

*• negotiate effectively*

*• complete and maintain necessary documentation*

*• obtain written agreement to proceed.*

**Loan structure**

In business deals especially in property development loans are used to secure property and then paid later. In most cases, banks issued mortgage to clients based on their credit rating. Therefore, the parties to the two types of loan structure are the client, and the banks which is about to issue the loan. The loan issued by the bank can either be long or short term loan. And in properties the long is usually a long term loan and these loans could be in terms of credit loan or insecure or secure loan. The bank issued these loans based on the pay slip for employed individuals or bank statement. The interest rate is low and the clients are given enough duration to repay the loan. It is one of the best types of loans which could help customers to secure property without much difficulty.

**How lenders treat properties that are subject to holiday lettings differently to those that are permanently let**

Most lenders treat properties which are subjected to holiday letting differently because of the higher risk, which is involved with the property. Holidays homes are property which is still occupied and therefore, they are readily available for occupation. The main purpose of purchasing a holiday home should also be clear because most of these homes are only occupied few days a year and therefore, maintenance is not efficient as permanent houses on letting. The different treatment could be also as result of demand for holiday homes. During the year, the properties under holiday homes are sometimes are in serious demand and therefore, this increases the rate. However, the properties on permanent letting, prices are demand always remain equal during the year. The variance in demand of such properties is what makes leaders treat the properties in holiday differently.

**Terms and condition for loan**

The two types of loan proposed here are long term loan and short term loan. The long term loan operates the same way as mortgage financing. But it is relaxed in terms of repayment, interest rate, duration and collateral. The long term loan requires no collateral from the customers. The title deeds of the property are used as collateral and therefore, the bank would hold on the title deed of the property until the payment is completed. The interest rate offered is 4% and the repayment period is 15 years. After the loan is issued a client has a duration or break period of 2 months before starting to make payment for the loan. It is one of the best loans for mortgage financing. However, the short term loan or credit line loan is best for small business because of the shorter period for repayment. Though it has a lower interest rate of 3% and the collateral required must be a property. A client can either issue title deeds, car long book in order to access the loan. It is more appropriate for business people and as an advisable I feel it is not the best loan structure for mortgage financing.

**Recommended loan structure**

The recommended loan structure is long term loans such as mortgage loan. The mortgage loan offered the best terms in terms of duration, interest rate and there is no collateral requires from the client beside the title deeds of he purchased property.