

# Advanced mortgage advice

At the end of this unit, candidates should understand the:

- Key elements of the mortgage process;
- Specialist types of mortgage lending;
- Appropriate mortgage advice to clients with complex needs and circumstances.

Summary of learning outcomes	Number of questions in the examination*
1. Explain the key elements of the mortgage process.	25
2. Explain specialised types of mortgage lending.	15
3. Explain the main challenges in the mortgage industry.	4
4. Explain the key elements of appropriate mortgage advice.	11
5. Recommend appropriate mortgage solutions to clients with complex needs and circumstances.	20

\*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Entry guidance

It is assumed that the candidate already has the knowledge gained from study of CF6 Mortgage advice or equivalent.

## Important notes

- **Method of assessment:** 55 multiple choice questions (MCQs) and 4 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2015 until 31 August 2016.
- Candidates will be examined on the basis of English law and practice in the tax year 2015/2016 unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

1. **Explain the key elements of the mortgage process.**
  - 1.1 Explain the house buying process and the roles of key parties involved.
  - 1.2 Explain the different factors that enable the lender to assess the suitability of the property as security for a loan.
  - 1.3 Explain the factors the lender will use to assess the suitability of the borrower.
  - 1.4 Explain how to resolve issues arising post completion.
2. **Explain specialised types of mortgage lending.**
  - 2.1 Explain the features and risks of:
    - Remortgaging and further advances;
    - Second charges;
    - Buy to let;
    - Bridging finance;
    - Equity release.
3. **Explain the main challenges in the mortgage industry.**
  - 3.1 Explain the features and impact of the following on the mortgage industry:
    - The sub prime/securitisation crisis;
    - National and household debt;
    - Inflation and Government intervention;
    - Changes in distribution.
4. **Explain the key elements of appropriate mortgage advice.**
  - 4.1 Explain the following features of mortgage advice:
    - Regulatory requirements;
    - The role of the mortgage adviser;
    - Affordability;
    - Taxation issues.
5. **Recommend appropriate mortgage solutions to clients with complex needs and circumstances.**
  - 5.1 Analyse consumers' complex needs and circumstances.
  - 5.2 Recommend appropriate mortgage solutions.

## Reading list

The following list provides details of various publications which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### CII study texts

Advanced mortgage advice. London: CII. Study text R07.

Mortgage advice. London: CII. Study text CF6.

### Books

Retail mortgages: law, regulation and procedure. Malcolm Waters et al. Sweet & Maxwell, 2013.

### Factfiles

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via [www.cii.co.uk/ciifactfiles](http://www.cii.co.uk/ciifactfiles) (CII/PFS members only).

Equity release. Brad Baker.

Recent developments in mortgage product design. Brad Baker.

The regulation of mortgage business. Brad Baker.

The regulation of mortgage intermediaries (prudential requirements). Brad Baker.

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

## Journals and magazines

Financial solutions. London: CII. Six issues a year. Also available at [www.thepfs.org/knowledge](http://www.thepfs.org/knowledge) (CII/PFS members only).

Financial adviser. London: FT Business. Weekly. Also available online at [www.ftadviser.com](http://www.ftadviser.com).

Investment week. London: Incisive Financial Publishing. Weekly. Available online via [www.investmentweek.co.uk](http://www.investmentweek.co.uk).

Mortgage strategy. London: Centaur Communications. Monthly. Also available online at [www.mortgagestrategy.co.uk](http://www.mortgagestrategy.co.uk).

Mortgage introducer. London: Publishing Group. Fortnightly. Also available online at [www.mortgageintroducer.com](http://www.mortgageintroducer.com).

Money marketing. London: Centaur Communications. Weekly. Also available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

New model adviser. London: Citywire. Monthly. Also available online at [www.citywire.co.uk/new-model-adviser](http://www.citywire.co.uk/new-model-adviser).

## Reference materials

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via [www.cii.co.uk/lamont](http://www.cii.co.uk/lamont) (CII/PFS members only).

The professional adviser's factfile. Taxbriefs. London: Taxbriefs. Looseleaf, updated.

McMeel and Virgo on financial advice and financial products. 3rd rev ed. Gerard McMeel, John Virgo. Oxford University Press. Looseleaf, updated.

## Examination guides

An examination guide, which includes a specimen paper, is available to purchase via [www.cii.co.uk](http://www.cii.co.uk).

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([www.revisionmate.com](http://www.revisionmate.com)). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent versions of the examination guides.

## Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/knowledge/iilrevision](http://www.cii.co.uk/knowledge/iilrevision) (CII/PFS members only).