

QFA Loans

Practice Case Studies and Guidance

Case Studies – QFA Loans Module:

1. Introducing Loans; What is a Housing Loan?
2. Taxation & Reliefs
3. Comparing Housing Loan Types
4. Loan related Insurances
5. Arranging a Housing Loan
6. Re-mortgaging
7. Arrears and Debt Management
8. Consumer Credit

1. Completing the Case Studies

There are **8 Work Based Case Studies** for the QFA Loans module. Apprentices should choose any **5 Case Studies** from those on offer. Each one must be completed, marked and submitted by the specified deadline.

As far as possible, apprentices are expected to research within their own organisation (with guidance from their supervisor), cases, documents, policy wordings or other materials that can be applied to the assignments.

As for the previous modules, the apprentice must complete the tasks in the specified format. This may, for example, involve writing a short report in MS Word, a PowerPoint presentation or presenting information in a table. Brief guidance notes are included to ensure clarity about what the apprentice needs to do, and what the supervisor should look for when marking the work.

2. The role of the supervisor

The completed case studies will be submitted to and signed off by the nominated Supervisors. A case study marking form is attached in **Appendix 1** for completion and sign off for each case study. For more information about this, please refer to the **Guide to Case Studies**.

The role of the supervisor is to:

- help the apprentices to locate or create suitable case files, work-based materials or other sources of information
- assess each apprentice's completed case study (on a pass or fail basis)

3. Deadlines for submitting the case studies

QFA Loans Module Submission Deadline:	
1	14 th June 2024
2	28 th June 2024
3	12 th July 2024
4	26 th July 2024
5	16 th August 2024

Remember: these are the final deadlines for uploading the marked case studies to Moodle.

Apprentices and supervisors should agree an appropriate schedule for discussing, completing and marking the questions to ensure that these deadlines are met. Forward planning is essential – see section 4 below.

4. Forward planning

Issuing the case studies in advance allows plenty of time for the apprentices and supervisors to meet the submission deadlines. It also gives adequate notice of any cases and documents that need to be sourced for or by the apprentices.

This table provides a brief summary of what is needed for each of the case studies:

	Topic	Resources
1	Introducing Loans; What is a Housing Loan?	Textbook
2	Taxation & Reliefs	Textbook
3	Comparing Housing Loan Types	Textbook and https://www.centralbank.ie/consumer-hub/explainers/what-are-the-mortgage-measures
4	Loan related Insurances	Textbook
5	Arranging a Housing Loan	Textbook
6	Re-mortgaging	Textbook
7	Arrears and Debt Management	Textbook & Internet Search
8	Consumer Credit	Textbook

Where a case file is required, this may be a paper or a digital record. **Personal details from the files should never be included in any of the case study submissions.**

5. A reminder about copying and plagiarism:

Plagiarism is copying the words or ideas of others and passing it off as your own, and is a most serious academic offence.

All sources that you use must be referenced within your text and in your bibliography.

The case study submissions will be checked for plagiarism.

It does not matter whether you use direct quotations or paraphrase the words of an author, you must reference your source. Failure to do so may result in a zero mark or other disciplinary action under Atlantic Technological University procedures.

The School of Business uses the Harvard Referencing system.

Topic 1: Introducing Loans

1a) You have been asked by a Transition year co-ordinator to put together a brief article on why a customer might need the following credit facilities:

- Temporary Overdraft
- Credit Card
- Mortgage

1b) Give a brief overview of the current Irish residential market, highlighting the 3 main challenges that are affecting it.

1c) A client is looking to buy a home and has asked your advice in explaining how the mortgage process will work.

Guidance Notes

For part (a) and (b), your answers should be based on relevant points in chapter 1 of the textbook.

2a) A client wants to make a complaint to the Financial Services and Pensions Ombudsman; he has asked your advice on what they need to do.

2b) The Consumer Credit Act, 1995 (CCA) has provisions in place for 'Knowing the Consumer'; give a brief explanation as to what the requirements are.

Topic 2: Taxation and Reliefs

1a) A client is looking to sell a Commercial Property they bought in 2013; can you explain to them how the CGT exemption works?

Guidance Notes

A brief answer is required (max 300 words)

1b) Explain how the Rent a Room scheme works.

2a) A couple, both first-time buyers are confused over the 'Help to Buy Scheme' they have fallen in love with a second-hand house but are also considering a new build option. Briefly explain how the scheme could benefit them.

Guidance Notes

The material is contained in chapter 3; the task only requires a brief overview from the chapter material in your own words. (300 words)

2b) Landlords must declare their rental income; briefly explain what tax reliefs are available to them.

Guidance notes.

The material is contained in chapter 3; the task only requires a brief overview from the chapter material in your own words. (300 words)

Topic 3: Comparing Housing Loan Types

1a) A housing loan lender that you deal with is currently quoting a standard variable rate (nominal) of 2.90% and an APRC of 3.10%. Briefly outline the primary use of APRC.

1b) A lender that you deal with is offering a 10-year fixed rate of 2.3% and is also offering a variable rate of 1.8%; put together a short email to your boss outlining which rate you think should be recommended to your firm's clients and giving your reasons.

Guidance Notes

The material is contained in chapter 2 and chapter 4; The task requires some analysis of the information contained within both chapters. Your points can be brief and should not exceed 300 words.

2a) The Central Bank of Ireland introduced new mortgage measures in 2015 which were subsequently reviewed annually. The measures were designed to ensure banks and other lenders lend money sensibly.

A potential mortgage client has asked for some guidance; Mary is a single first-time buyer earning a salary of €105,000. She has no other loans and wishes to purchase a property for €570,000. Applying the loan-to-income limit; what is the maximum housing loan that Mary could be advanced?

Guidance Notes

The material is contained in chapter 4 and is explained on the Central Bank website:
<https://www.centralbank.ie/consumer-hub/explainers/what-are-the-mortgage-measures>.

2b) Costs are something that many potential house borrowers overlook; outline the main cost potential borrowers should be made aware of.

Guidance Notes

The task requires some analysis of the information you have learned. Your points can be brief and should not exceed 300 words.

Topic 4: Loan Related Insurances

1a) What is your understanding of the following definitions in relation to Household Insurance?

- Combined
- Reinstatement Value
- Course of Construction Insurance

1b) A property owner is looking to claim on his policy, can you explain how insurers may settle claims?

Guidance Notes

This information is contained in chapter 5 of the textbook. Please use your own words.

2a) Write a short memo to potential borrowers on what options they have regarding Mortgage Protection Cover.

2b) A self-employed client of yours and his wife (who works as a teacher) are considering Income Protection cover or Serious Illness cover as a means of protecting their ability to continue to pay their mortgage in the event of illness. They have been advised to consider both types of cover but that would put too much strain on their budget. Outline 3 advantages and disadvantages of both Income Protection and Serious Illness cover as a means of ensuring their family home would always be safe.

Topic 5: Arranging a Housing Loan

1a) You work for a mortgage lender, and you are helping them redesign their application forms. Outline 6 pieces of information which should be captured by the form in your opinion.

1b) Housing loan lenders will seek supporting documentation in conjunction with a completed application form. What financial information will they require from an applicant that is an employee to support their application?

1c) You work for a mortgage intermediary, and it is your role to build the picture of the applicant and their requirements. Outline the considerations that you should take into account when preparing the file for an underwriter.

2a) Your new colleague has heard of the following terms, but they are not sure what they mean; explain to them in your own words.

- European Standardised Information Sheet (ESIS)
- Title Documents
- Contract of Sale

Guidance Notes:

The information is contained in chapter 6.

Topic 6: Re-mortgaging

1a) Your friend has asked you for some advice -s he has a car loan and credit card debt which are costing her a significant portion of her disposable income. She has a small mortgage and now her circumstances have changed; she is thinking of taking out a Debt Consolidation Housing Loan or increasing her Term Loan to clear a few of her short-term loans. Set out a few points that she should consider when making her decision.

Guidance Notes

The Information is contained in chapter 7 of the textbook however please use your own words.
(max 300 words)

1b) A client has a home which is in negative equity, but they want to move house and can afford a higher repayment. Can you explain to them how a negative equity loan might work for them?

Guidance Notes

The Information is contained in chapter 7 of the textbook however please use your own words.
(max 200 words)

2) A client is thinking of building a house and probably will need a Stage Payment Loan. Send them an email outlining the main features to how this loans work

Topic 7: Arrears and Debt Management

1a) You work for a lender, and you are working with a colleague on the arrear's procedure. Your colleague is not quite clear on the procedure if a borrower is classified as not cooperating. Draw up a memo that will help them understand when a borrower might be deemed uncooperative and set out how your firm should deal with an uncooperative borrower.

1b) What is your understanding of the following definitions in relation to the Code of Conduct on Mortgage Arrears (CCMA), 2013?

- Unsolicited Personal Visit
- Arrears
- Split Mortgage

2a) Under the Mortgage Arrears Resolution Process (MARP); there are several alternative repayment arrangements available to a lender when addressing mortgage arrears. Compare and contrast any 2 of these from the point of view of a customer who is in short term financial difficulty.

Guidance Notes

The information is contained in chapter 8 however please use your own words and keep your answers brief (max 300 words).

2b) Who is a Personal Insolvency Arrangement aimed at? And how does it differ from a debt settlement arrangement (DSA)?

Topic 8: Consumer Credit

1a) Why is regulation so important overseeing the provision of various types of credit? Outline 3 of the financial services legislation that credit servicing firms must adhere to.

1b) You have been asked to help put an advertisement together for a housing loan that your firm is offering. What regulation if any, must you adhere to?

2) A family member who is looking to purchase a new Car and has been offered a personal loan from the credit union or a personal contract plan (PCP) finance option from the garage. In your own words, what are the key factors which he should consider when comparing the competing personal loans?

Guidance Notes

The material is contained in Chapter 9. Please keep your answers brief (max 300 words).

Appendix 1: Case Study Marking Form

Case Study No.		Topic No.	
Topic Title:		Insurance Module:	
Learning Outcome:			

To be completed by the Apprentice :			
I confirm that all the work on the case study is my own work.			
Signed:		Date:	
Apprentice Student Number:			

To be completed by the Supervisor :		
Checklist (please circle pass or fail as appropriate):		
Attempt 1	Attempt 2	Attempt 3
Pass / Fail	Pass / Fail	Pass / Fail
PRINT Name:		
Signed:		
Date:		