

# FACT SHEET

## Commercial Origination Course



The National Finance Institute



### ***What does the course cover?***

This comprehensive Commercial Origination Course has been prepared specifically for experienced residential mortgage brokers that seek the knowledge and competency to expand into the commercial, business loan and chattel finance arena.

Trainees will learn the skills necessary to discuss commercial financing options with prospective clients, win the business, write comprehensive lending submissions and negotiate a satisfactory outcome with lenders

The course is structured as two Parts and together all aspects of business, commercial and chattel finance are covered. For Workshop attendees, over the two days Part One will cover theoretical aspects and Part Two will cover the practical aspects of commercial loan applications. The course is also available as a complete manual offered by distance learning or via NFI's online e-learning platform for home study. Technical support from our commercial lending trainer is offered via phone/fax/email and each of the learning methods have the option of future mentoring.

### **PART 1 – THEORY**

#### ***Equipment Finance***

- Equipment Finance Indicators
- Players in the Equipment Finance Industry
- The effect of Asset Types
- Types of Lease Finance
- Types of Non-Lease Finance
- Payments in Advance or Arrears
- Goods & Services Tax (GST)
- The Financial Calculator and Examples
- Payouts / Terminations
- Brokerage / Commissions
- The Credit Assessment

#### ***Commercial Property Finance***

- Getting Started (including Client/Broker Contracts)
- Business and Commercial Loan Products and Loan Types
- Types of Security (Freehold, Leasehold, Company Charges, etc.)
- Insurance (Property, Construction, Loss of Profits, Key Machinery, etc.)
- Security Extension Ratios
- Directors' Guarantees (Joint and Several Liability)
- Risk Identification and Credit Assessment
- Factoring and Insurance Premium Funding

#### ***Understanding Financials and Cash Flows***

- Core Financial Report Definitions
- The Balance Sheet and Profit & Loss Statements
- Corporate and Legal Entities
- Ratio Analysis
- Analysing the Self-employed Client
- Cash Flow Statements
- Development Feasibility Analysis
- Project Cash Flows

#### ***Commercial Origination Marketing***

- Residential vs Commercial Marketing Approaches
- Segmentation of Commercial Finance Markets
- Relationship Marketing in the Commercial Finance Environment
- Prospecting for Commercial Finance Business
- Incorporating Commercial Finance into Your Business

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**Forms/Examples and Additional Theory**

- ATO Tax Ruling re Novated Lease
- Equipment Finance Loan Application Form
- Rule of 78 Explanation
- ATO PAYG Monthly Taxation Tables
- Commercial Finance Loan Application Form
- Commercial Loan submission Template
- Commercial Mandate
- Certificate of Appointment and Fee Agreement
- Commercial Bill Facilities
- Deed of Priority
- ASIC Definition of Director and company responsibilities
- Sample Community Housing Planning Kit

**Glossary of Terms****PART 2 – PRACTICAL APPLICATION**

Part 2 comprises preparation of lending proposals for a range of commercial and chattel financing opportunities, understanding and presenting the client's financial data, providing the information required by Valuers and understanding the various methods adopted by Valuers in determining the value of a business, commercial property and chattels (plant and equipment).

**The Loan Application**

- The Documentation Required
- Sample Submission Template
- Finance Broker Contracts (Certificate of Appointment)
- Compliance and Advertising Issues

**Submission Preparation and Case Studies**

- Overview of Commercial Vs Residential
- Professional Information Gathering
- The Interview Process
- Analysing Data
- The Client Presentation
- Loan Preparation and Lodgement
- Case Study 1 – Family Trust purchase of Freehold Lunch Bar
- Case Study 2 – Finance for Renovations/Repairs to a Hotel
- Case Study 3 – Shopping Centre Improvements and Refinance
- Case Study 4 – Office Fit-out
- Case Study 5 – Purchase of Used Crane

**The Approval Process and Loan Offers**

- The Basic Commercial Loan Offer
- Liaising with the Lender's Solicitor
- Coordinating Commercial Loan Settlements

**The Valuation Process**

- Valuation Techniques
- Instructing the Valuer
- Multi-Tenanted Commercial Property Valuation
- Industrial Property Valuation
- Englobo Land Valuation

**What does The National Finance Institute do?**

The National Finance Institute is a Registered Training Organisation No. 31203 and exists to provide results driven training for intermediaries in the finance industry. Whether a sole operator or national broking company, NFI is able to provide cost-effective training solutions. In addition to delivering the Certificate IV in Financial Services (Finance/Mortgage Broking), NFI also delivers numerous professional development workshops, specifically developed for the finance broker or mortgage broker profession. Full details are available at [www.financeinstitute.com.au](http://www.financeinstitute.com.au). NFI employs certified training professionals and delivers workshops in all capital cities and regional centres, subject to minimum enrolment levels.

***What is the experience of the Commercial Course Trainers?*****Ray Weir**

In the early 1970's Ray was Trainee Accountant and assistant to the Group Financial Controller of Bond Corporation Pty Ltd, a leading property developer at that time. He was then an Acceptance Officer with Beneficial Finance from 1974-1984, which specialised in providing construction, development, commercial and chattel finance.

Ray began a finance broking career in 1984 with Perpetual Trustees in Perth and two years later commenced his own business, now trading as Finance Solutions (WA) Pty Ltd. During a 32 year finance and broking career he has achieved a number of milestones:

- Lecturer in property finance at the Real Estate Institute of WA for 5 years
- Various terms as Industry Representative on the Finance Brokers Supervisory Board
- 2 years as President of the Institute of Finance Brokers WA, an industry body that later merged with the MIAA
- 6 years as Lecturer & Correspondence Tutor in the Certificate in Finance Broking course offered by Perth TAFE
- Past WA State President of the Finance Brokers Association of Australia Ltd (FBAA).
- Appointed CEO of the FBAA based in Brisbane for a 12 month period in February 2003. During that time Ray developed the FBAA's Code of Practice and Dispute Resolution Service, consulted to the Financial Services Education Agency Australia on mortgage industry competency standards and liaised closely with Consumer Affairs Policy Advisors in four mainland States regarding the future of uniform national finance/mortgage broker regulation.

**Peter Heinrich**

Peter has over 20 years experience in the finance industry and has personally written in excess of 5,000 mortgages. He was previously the State Manager (WA) for St George Bank and State Sales Manager for the broking firm Mortgage Force. Peter is well known to residential lenders and all major aggregators and has been a guest speaker at State and National Conferences, including the 2005 Mortgage Summit organised by the Mortgage Professional Magazine.

He is a Fellow of FINSIA, a Fellow of the Institute of Financial Services, a Fellow of the Australian Institute of Mortgage Brokers. Peter holds a Certificate IV in Assessment and Workplace Training. He is also the co-author of the best-selling Australian Mortgage Marketing Handbook.

***Is the Commercial Origination Course a nationally recognised course?***

There is currently no Australian Quality Training Framework specifically for commercial lending origination. The Commercial Origination course will provide for recognition of prior learning for a number of the core Diploma competencies from NFI's proposed Diploma in Financial Services (Finance/Mortgage Broking Management) and recognition of prior learning will be granted to NFI trainees for FNSFBRK502A (Identify and develop complex broking options for client); FNSFBRK503A (Present broking options to client with complex needs); FNSFBRK504A (Implement complex loan structures); FNSRISK501A (Undertake risk identification); and FNSRISK502A (Assess risks).

***What acknowledgement will I receive after completing the course?***

Trainees will receive a Certificate of Attainment at completion of the course subsequent to submission of an assignment (preparation of a commercial loan proposal), where competency is demonstrated.

***How long will this course take to complete?***

Workshops are run over two full days with day one focussing on the theory behind commercial lending and day two focussing on the practical aspects of commercial loan applications. Trainees can also choose to complete the entire course as a distance learning student or via NFI's online e-learning platform. The assignment is an optional component of the course, but if completed and submitted for marking, and the results prove competency, trainees will then receive a Certificate of Attainment. From the time of registration, trainees have six months in which to complete the course.

***How much does the Commercial Origination Course cost?***

The two-day course workshop fee is \$1,155 pp, inclusive of course manual, assessment and the provision of a Certificate. To complete the course via distance learning is \$790 and to complete the course via the online e-learning platform is \$590. Distance learning trainees receive a hard copy of the training material whereas online trainees complete their training purely online. Group discounts may apply.

***What are the entry requirements?***

A minimum of 12 months experience as a residential mortgage broker or mortgage lender is recommended although not essential. Completion of an external mortgage broker training course may be sufficient to commence this commercial lending course. A sound grasp of the English language and basic mathematics skills are also recommended.

***Where are the courses held?***

Workshops can be held in your organisation's training room or venues arranged by NFI. We endeavour to provide convenient parking where possible and morning and afternoon teas are provided. Distance learning or e-learning can be commenced at any time.

***When will I be notified of the day on which the Workshop will be conducted?***

Individual bookings can be accommodated at Workshops as listed in the Course Schedule of dates. Workshops are typically conducted every 1 to 2 months in capital cities. Workshops are also conducted at mutually agreed dates for group bookings. A minimum of 5 participants are required for each Workshop and trainees enrolled will be contacted as soon as minimums are reached for a nominated Workshop date.

***Is this course offered by distance education?***

Yes, the training is offered via distance education mode and online e-learning mode. Because of the challenging nature of the content access will be available to the commercial trainers, available by phone/fax/email, to assist with technical issues and trainees will also have the option to utilise the trainer as a mentor for future commercial submissions.

***When can I start the course?***

You can enrol in a scheduled workshop at any time and confirmation will be emailed once enrolment numbers are confirmed. The subsequent two-day Workshop is held approximately once a month in all major cities. Please check [www.financeinstitute.com.au](http://www.financeinstitute.com.au) for the Course Schedule of dates, which is updated regularly. NFI requires a minimum of 5 trainees registered to conduct the Workshop. Workshop dates can also be arranged to suit group requirements. You can commence distance learning or online e-learning at any time, following NFI's processing of your enrolment form.

***Who has this course been developed for?***

Experienced residential mortgage brokers who want to expand their skills and knowledge into commercial finance.

***What materials/equipment do I need?***

Appropriate stationery and a financial calculator are recommended. Workshop trainees will be supplied with their course manual on commencement of the workshop. Trainees who enrol for distance learning or online e-learning will receive or have access to the full course manual following NFI's receipt of a course enrolment form.

***When does the Workshop start and finish each day?***

The two-day Workshops commence at 9.00 a.m. and finish at 5pm.

***What assessments are there in the Commercial Origination Course?***

There is one optional case study assignment. If submitted successfully a Certificate of Attainment will be issued.

***Can I apply for RPL?***

No, recognition of prior learning (RPL) does not currently apply to this course.

***How do I apply?***

Complete a Course Enrolment Form and send it to NFI via fax, post or scan/email. If choosing Workshop mode, once a workshop date can be confirmed, you will receive confirmation via email. If choosing distance learning or online learning, you will also receive confirmation by email.

***Can I speak to someone about the course?***

Yes, certainly. Please call NFI on 1300 765 400 – we'd be delighted to hear from you.