



# Best Interests Duty Fact Sheet

## Important Conversations

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Topic	Example	Feedback	
		What is good about the example?	What would improve the example?
Customer Circumstances	Client is looking to obtain pre-approval for residential loan subject to sale of residential property. Single and nil dependents.	<ul style="list-style-type: none"> <li>Identifies the need to sell the current property.</li> <li>Describes the client's circumstances.</li> </ul>	<ul style="list-style-type: none"> <li>Identify if this is an owner/occupied or investment.</li> <li>Why is the client seeking this loan?</li> <li>Any particulars about client's preferences in loan type, lender, etc?</li> <li>Are there any issues or challenges in the client's background which may impact the ability to get a loan?</li> </ul>
Customer Awareness	Client has strong financial awareness, shown great savings history and debt repayment history.	<ul style="list-style-type: none"> <li>Uses savings and repayment history to demonstrate client's financial awareness.</li> </ul>	<ul style="list-style-type: none"> <li>If they could highlight the client's understanding of how loans and mortgages work.</li> <li>Identify the client's understanding of their obligations to the lender.</li> </ul>
Product Recommendation Amount	The loan amount is affordable and meets the client's needs. My analysis of the client's finances suggests that they could meet the repayments without substantial hardship.	<ul style="list-style-type: none"> <li>Covers some key points (alignment with client's needs, will not encounter substantial hardship) addressing the amount.</li> </ul>	<ul style="list-style-type: none"> <li>Identify how it was determined that the loan was affordable and meets the client's needs.</li> <li>What specifically was analysed in the client's finances to come to the conclusion?</li> </ul>
Product Recommendation Goals	Lowers the interest rate and interest charges that enables them to pay the loan off sooner.	<ul style="list-style-type: none"> <li>Identifies specific factors (interest rate and pay off) that are important to the client.</li> </ul>	<ul style="list-style-type: none"> <li>Identify how the goals align with the client's best interests.</li> <li>Ensure it ties back to the client's circumstances.</li> <li>Call out if client's goals may not be in their best interests and what options would be in the client's best interests.</li> </ul>
Product Recommendation Interest Rate	Variable rate to pay off sooner.	<ul style="list-style-type: none"> <li>Ties the rate to the client's goal of paying off the loan sooner.</li> </ul>	<ul style="list-style-type: none"> <li>Identifies that the preferred product recommendation available for the client has the lowest rate.</li> <li>How does this meet the client's best interests over a split fixed/variable option or other options?</li> </ul>
Product Recommendation Lender	This lender has products with all the features the client preferred, and is their current lender.	<ul style="list-style-type: none"> <li>Aligns with the features the client preferred.</li> </ul>	<ul style="list-style-type: none"> <li>Identify the how this lender is in the client's best interests.</li> <li>Align with the Customer Circumstances and identify the features that the client prefers.</li> </ul>
Product Recommendation Reason	The client has requested an offset account and as the client is not borrowing for investment purposes, the goal is to pay it down as quickly as possible.	<ul style="list-style-type: none"> <li>Identifies how the product fits with what the client requested.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate how this product is in the client's best interests instead of what they requested.</li> </ul>

**For more information, check out the following resources:**  
 RG 273 – Best interests Duty  
 MoneySmart

**Any Questions?**  
 Speak with your NLG BDM , Choice PM or email  
 compliance@nlg.com.au