

Instructional Framework



Finance

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This Instructional Framework identifies, explains, and expands the content of the standards/measurement criteria, and, as well, guides the development of multiple-choice items for the Technical Skills Assessment. This document corresponds with the Technical Standards endorsed on May 24, 2017.

Domain 1: Products and Services	
Instructional Time: 55-65%	
STANDARD 1.0 ANALYZE BANKING AND RELATED FINANCIAL SERVICES AND PRODUCTS	
1.1 Differentiate among financial entities and their services and products (e.g., credit unions, insurance, lending investments, and banks)	<ul style="list-style-type: none">• Credit unions: description of services and products offered• Banks: description of services and products offered<ul style="list-style-type: none">◦ Difference between banks and credit unions• Insurance: general classes of product typical providers• Lending: common sources of commercial and personal financing• Investment vendors
1.2 Explain the three key entities and the five key functions of the Federal Reserve System	<ul style="list-style-type: none">• Entities (Board of Directors, Reserve Banks, Federal Open Market Committee)• Functions<ul style="list-style-type: none">◦ Monetary Policy◦ Stability of Financial System◦ Supervising and Regulating Financial Institutions◦ Fostering Payment and Settlement System Safety and Efficiency◦ Promoting Consumer Protection and Community Development
1.3 Explain the roles of the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA)	<ul style="list-style-type: none">• FDIC general responsibilities• NCUA general responsibilities
STANDARD 3.0 ANALYZE TYPES OF SECURITIES AND RELATED INVESTMENTS	
3.1 Investigate investment opportunities to include in a diversified portfolio	<ul style="list-style-type: none">• Balancing potential earnings against risk tolerance

3.2 Examine characteristics of investments (e.g., stocks, bonds, mutual funds, 401K, and Traditional and Roth Individual Retirement Accounts)	<ul style="list-style-type: none"> • Common expectations for returns, risks, and liquidity when investing in: <ul style="list-style-type: none"> ○ Stocks ○ Bonds ○ Mutual funds ○ 401K ○ Traditional Individual Retirement Accounts ○ Roth Individual Retirement Accounts
3.3 Describe an investment plan (i.e., aggressive vs conservative, etc.)	<ul style="list-style-type: none"> • Weighting of types of investments typically included in a/an: <ul style="list-style-type: none"> ○ Aggressive plan ○ Conservative plan
3.4 Explain the role of the Securities and Exchange Commission	<ul style="list-style-type: none"> • Mission of the SEC
3.5 Examine domestic and global economic conditions that impact financial investments	<ul style="list-style-type: none"> • Typical causes of optimism or caution when investing
3.6 Examine types of real estate investments (e.g., commercial and residential)	<ul style="list-style-type: none"> • Advantages/disadvantages of <ul style="list-style-type: none"> ○ Commercial real estate ○ Residential real estate
3.7 Explore the responsibilities and liabilities of owning rental property	<ul style="list-style-type: none"> • Landlord responsibilities and risks
STANDARD 4.0 ANALYZE CONSUMER INSURANCE SERVICES	
4.1 Describe the purpose for insurance	<ul style="list-style-type: none"> • Simple definition of insurance
4.2 Identify the benefits and characteristics of the different types of insurance (e.g., life, health, property, liability, and debt protection)	<ul style="list-style-type: none"> • Main reason to consider each of the following: <ul style="list-style-type: none"> ○ Life insurance ○ Health insurance ○ Property insurance ○ Liability insurance ○ Debt protection insurance
4.3 Explain the role of the state's department of insurance	<ul style="list-style-type: none"> • AZ purpose of establishment: <ul style="list-style-type: none"> ○ Complaints, questions, licensing, overseeing solvency of insurance companies, review of new and updated products and insurance rates, encourages competition
STANDARD 5.0 ANALYZE CONSUMER CREDIT AND LENDING PRACTICES	
5.1 Examine characteristics of secured and unsecured credit	<ul style="list-style-type: none"> • Difference between secured and unsecured credit

	<ul style="list-style-type: none"> • Characteristics of secured and unsecured credit
5.2 Describe lending regulations (e.g., Reg B, Reg V, and Reg Z)	<ul style="list-style-type: none"> • Intent of the following lending regulations: <ul style="list-style-type: none"> ◦ Reg B Equal Credit Opportunity ◦ Reg V Fair Credit Reporting ◦ Reg Z Truth and Lending • Purpose of lending regulations
5.3 Analyze the credit and loan application process	<ul style="list-style-type: none"> • Typical expectations and information needed to complete
5.4 Analyze credit reports and scoring	<ul style="list-style-type: none"> • Weight of criteria used to generate FICO scores, debt-to-income rate, Vantage Score • Five components of FICO score: Debt history, Debt levels, Duration of debt, Type of debt, New debt • Credit Bureaus: Experian, Transunion, and Equifax
5.5 Describe mortgage loans (e.g., first, second, home equity, variable, and fixed)	<ul style="list-style-type: none"> • Mortgage loans: <ul style="list-style-type: none"> ◦ First ◦ Second ◦ Home Equity ◦ Variable ◦ Fixed ◦ ARM ◦ Balloon • Interest rates
STANDARD 8.0 ANALYZE PERSONAL FINANCIAL INFORMATION	
8.1 Identify short- and long-term financial goals and plans, including income, spending, saving, investing, and emergency preparedness	<ul style="list-style-type: none"> • Major components of budgeting for current and future needs
8.2 Analyze components of a pay stub regarding take-home pay and deductions	<ul style="list-style-type: none"> • Common payroll deductions • Wages: gross and net pay • Contributions • Taxes
8.3 Examine common taxes and tax forms (e.g., state, federal, 1040, W2, and W4)	<ul style="list-style-type: none"> • Purpose of tax forms: <ul style="list-style-type: none"> ◦ 1040 ◦ W2 ◦ W4 ◦ AZ State

<p>8.4 Understand how to check your personal credit history (e.g., Experian, Transunion, and Equifax)</p>	<ul style="list-style-type: none"> • Obtaining credit report copies from major bureaus <ul style="list-style-type: none"> ◦ Experian ◦ Transunion ◦ Equifax • Major factors in determining scores • Reviewing/Monitoring credit scores • Resolving discrepancies and inconsistencies, understanding notations • Restoration • Impact of credit score on your life and your expenses • FCRA: Fair Credit Reporting Act
<p>8.5 Identify ways to protect personal financial information</p>	<ul style="list-style-type: none"> • Identify theft hints for protection

Domain 2: Business Employability Skills

Instructional Time: 25-35%

STANDARD 6.0 DEMONSTRATE CUSTOMER SERVICE SKILLS FOR FINANCIAL ENTITIES

<p>6.1 Model proper telephone etiquette</p>	<ul style="list-style-type: none"> • Telephone tips: <ul style="list-style-type: none"> ◦ Answering calls, making calls, handling rude or impatient callers
<p>6.2 Utilize professional verbal and written communication skills in emails, letters, live chats, and person-to-person interactions</p>	<ul style="list-style-type: none"> • Professional email composition, distribution, replying • Role of live chat in customer service and use of appropriate written format • Live chat customer service techniques • Body language impact on person-to-person interactions
<p>6.3 Exhibit appropriate techniques to assess consumer needs</p>	<ul style="list-style-type: none"> • Goal: identifying customer requirements for product or service, how it impacts customer retention and bottom line
<p>6.4 Apply problem-solving techniques to resolve consumer complaints (e.g., diffusing emotions, offer solutions, and follow up)</p>	<ul style="list-style-type: none"> • Diffusing <ul style="list-style-type: none"> ◦ Rational vs Emotional responses ◦ Focus on customer needs and wants • Offer solutions (focus on vs products) • Follow up (importance of) <ul style="list-style-type: none"> ◦ Focus on desired end results

<p>6.5 Explain the financial impact satisfied customers have on financial entities (e.g., retention, loyalty, engagement, and reputation of the business)</p>	<ul style="list-style-type: none"> • Manner the following factors impact the bottom line: <ul style="list-style-type: none"> ○ Retention ○ Loyalty ○ Engagement ○ Reputation of business
<p>STANDARD 7.0 EVALUATE THE ECONOMIC ROLE OF SMALL BUSINESS IN THE FINANCIAL SERVICES INDUSTRY</p>	
<p>7.1 Compare the role of small business in the local, state, national, and international economies</p>	<ul style="list-style-type: none"> • Frequent benefits gained by shopping locally • Societal contributions of small businesses
<p>7.2 Identify factors that contribute to the success and failure of small business</p>	<ul style="list-style-type: none"> • Small business best practices and common pitfalls to avoid
<p>7.3 Compare and contrast the advantages and disadvantages of sole proprietorships, partnerships, limited liability, limited liability corporations, b-corps, and franchises)</p>	<ul style="list-style-type: none"> • Pros and cons of: <ul style="list-style-type: none"> ○ Sole proprietorships ○ General partnerships and limited liability partnerships ○ Corporations and limited corporations ○ Franchises
<p>7.4 Analyze the relationship of customer service and customer satisfaction on the success of a business</p>	<ul style="list-style-type: none"> • Providing excellent customer service is a cause that results in customer satisfaction • Cost of dissatisfied customers • Impact of public relations in small business
<p>STANDARD 10.0 APPLY SOFTWARE TO PRODUCE DOCUMENTS</p>	
<p>10.1 Create and format a letter including paragraphs</p>	<ul style="list-style-type: none"> • Parts of a professional business letter • Format and spacing • Difference between personal business letters and business letters and their uses
<p>10.2 Create, format, organize, and manage emails and instant messages</p>	<ul style="list-style-type: none"> • Professional business communications for instant messages and emails
<p>10.3 Perform operations with formulas and functions on a spreadsheet</p>	<ul style="list-style-type: none"> • Use formulas and functions when organizing data into spreadsheets
<p>10.4 Maintain and edit a database</p>	<ul style="list-style-type: none"> • Accurate input into existing databases • Basic manipulation of databases to edit and formulate information in a database (i.e., QuickBooks, Microsoft Access, etc.)

Domain 3: Compliance and Regulatory

Instructional Time: 5-10%

STANDARD 2.0 ANALYZE THE COMPLIANCE AND REGULATORY REQUIREMENTS FOR THE SECURITY OF FINANCIAL ENTITIES

2.1 Identify and explain BSA (Bank Secrecy Act) to include OFAC, U.S. Patriot Act, CIP, and AML

- BSA (Bank Secrecy Act) includes the following:
 - OFAC (Office of FINANCIAL Foreign Assets Control)
 - U.S. Patriot Act
 - CIP (Customer Identification Program)
 - AML (Anti-Money Laundering)
- Purpose
- Their role in the financial services industry

2.2 Identify ways checks and balances systems protect financial entities from monetary loss (e.g., dual control, auditing, and prohibited transactions)

- Loss prevention checks and balances methodologies
- Advantages of checks and balances
- Dual control
- Auditing
- Prohibited transactions

2.3 Analyze methods to protect consumer privacy and to prevent identify theft (e.g., Reg P and Red Flags Rule)

- Steps to protect your consumer privacy
- Protection of consumer privacy and identify regulations
- Red Flags Rule and compliance
- Reg P (Privacy of Consumer Financial Information) and compliance

2.4 List preventive measures to protect entities and consumers from fraud

- Common frauds and scams in the marketplace
- Strategies to prevent fraud
- Commonalities to recognize fraud
- Resources for restoration

STANDARD 9.0 APPLY LEGAL AND ETHICAL PRACTICES IN THE WORKPLACE

9.1 Explain the value of personal integrity with respect to working in the financial entity (e.g., conflict of interest, accountability, workplace practices, speaking up, and social media)

- Personal integrity in the financial services industry
- Personal integrity examples applied to financial institutions
 - Conflict of interest
 - Accountability
 - Workplace practices
 - Social media
 - Customer service

9.2 Interact respectfully with co-workers and consumers

- Ethics on the job

	<ul style="list-style-type: none"> • Examples of respect when working in a financial institution
9.3 Explain the Bank Bribery Act	<ul style="list-style-type: none"> • Familiarization with current Bank Bribery Act Amendments • Limitations
9.4 Evaluate reasons for keeping employer and customer information confidential and/or privileged	<ul style="list-style-type: none"> • Definition of confidentiality as it relates to the financial services industry • Importance of confidentiality • Relationship building based on trust

