Annual loan review procedure

SOP TEMPLATE

SOP no.		Version		Effective date	
Owner		Approver		Review date	

Purpose

To make sure each client's loan still suits them, and that they aren't paying more than they need to.

Scope

Every client with a loan the business arranged, each year after settlement.

Responsibilities

Role	Responsibility
Broker	Runs the review, compares options and records the advice.
Administrator	Books the reviews and prepares each client's current loan details.

Procedure

1. **Book the review**

   Contact the client around their settlement anniversary, or when their fixed rate is due to end.

2. **Prepare**

   Get the client's current rate, balance and loan features.

3. **Ask what has changed**

   Ask about income, family, plans and how the loan is working for them.

4. **Compare options**

   Compare the current rate and features with the lender's current offers and other lenders.

5. **Recommend**

   Recommend whether to stay, ask the lender for a better rate, or refinance, and explain any costs.

   > **Caution:** Refinancing has costs and new credit checks. Recommend it only when it is in the client's interest.

6. **Record it**

   Record the review, the advice and the client's decision, and set the next review date.

Records

- The review notes and the advice given.

Related documents

- Loan settlement checklist

Revision history

Version	Date	What changed	Approved by