Credit Management > 3.5 Credit Systems and Maintenance

Title	Evaluate and update automated credit scoring systems regularly
Code	107381L5
Range	Analyse financial information and behavioural scoring mechanism to assess the risks of offering consumer credit to different segments of customers. It includes the responsibilities of assessing, reviewing, revising the credit scoring system and implement the enhanced model
Level	5
Credit	4

Competency	Performance Requirements
	1. Is knowledgeable in retail credit management and research methodologies so as to collect useful market information to assess and control credit risk
	    Be able to:
	• Assess the latest development in retail credit management and changes in credit scoring mechanisms in banking industry
	• Is knowledgeable in conducting effective research on credit scoring system in order to collect useful information for improvement
	• Liaise with credit bureau or other business counterparts regularly to exchange credit information related to different types of loan products, asset valuation practices and credit rating of common occupations, etc.
	• Assess and control risk within existing customer portfolios and improve the bank's acquisition strategies using advanced predictive analytics for identifying specific risk characteristics and subsequent attributes that lead to delinquency, default and bad debt
	2. Develop overall credit review model for the bank
	    Be able to:
	• Assess, transform, standardize and cleanse all prerequisite data including third party bureau, application, repayment and collections data into a comprehensive banking credit review model
	• Research, examine, and quantify the degree of credit risk involved in different categories of potential credit exposure by conducting social and data analytics
	3. Conduct financial and credit analysis for different customer segments and review credit scoring system regularly and professionally
	    Be able to:
	• Generate financial ratios, using technological programmes, to evaluate financial capacity of different customer segments; ensure all affected parties are fairly treated without sacrificing the quality of the results of review
	• Analyse financial data such as income growth, spending habits, savings pattern and market share of customer segments; propose a sound scoring scale to protect the interests of all segments during the process, such as verification of data accuracy
	• Develop, validate and implement application and behavioural scorecards for the bank while impacts affecting customers are well considered; the solution facilitates enhanced market segmentation and pricing strategies that align with the bank's risk tolerance and other business strategies

Unit of Competency

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Assessment Criteria	The integral outcome requirements of this UoC are: • Liaise with credit bureau or other business counterparts regularly to exchange credit information related to credit rating of different customer segments; hence to collect critical market intelligence for credit scoring system enhancement • Enhanced market segmentation and pricing strategies which are in alignment with the bank's risk tolerance and other business strategies are incorporated in the enhanced credit scoring mechanism regularly
Remark	