

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 3. General Enterprise Banking Credit Management
(Key Function – 3.4 Monitoring Non-Performing Loan Performance)

Title	Formulate policies and procedures in managing problem loans
Code	109272L6
Range	Designing policies and their associated procedures to deal with bad and doubtful debts. This applies to bad debts incurred in different types of enterprise banking accounts.
Level	6
Credit	4 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Demonstrate knowledge in managing problem loans by applying it to analyse common practices in dealing with problem loans and design suitable policies which are in alignment with the strategies of the bank. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Analyse Management Information System (MIS) reports and delinquent accounts to identify common causes for problem loans in order to formulate customized policies to handle different types of problem loans; • Formulate different policies on loan collection based on analysis of the causes and characteristics of delinquent accounts; • Design remedial actions to ensure effective collection of problem loans repayments. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Design policies in restructuring loan facility, enhancing credit limits and / or reducing interest rates in assisting customers to improve repayment capability, if warranted; • Formulate guidelines in negotiating with clients to formulate plan on settling the outstanding amounts of delinquent accounts, including waiver of interest and loan haircut in certain instances.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Formulation of policies on managing bad and doubtful debts based on analysis on the bank's strategies and characteristics of delinquent accounts.
Remark	