

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	Implement legal actions on unpaid debt clients
Code	109274L5
Range	Undertaking legal actions on borrowers who are failing to meet the payment schedule. This applies to all kinds of delinquent accounts which repayment agreement with borrowers cannot be reached.
Level	5
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"> • Possess specialized legal knowledge and apply it to assess the laws and regulations related to unpaid debt to evaluate whether the bank should take any legal actions against the accounts; • Understand the processes of taking legal actions against unpaid loan accounts and evaluate similar precedent cases to judge whether the bank should take any legal actions. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate information related to current and projected financial status of applicants; • Appraise repayment capability of clients by tracking their past performance and financial status; • Classify the unpaid debt customers to make claims, if justified; • Initiate legal actions against unpaid debt customers if claims are warranted. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Make decision on issuing solicitor's letters to unpaid debt customers to demand repayment prior to legal actions; • Undertake legal actions on defaulting customer properly to protect the bank's interest (e.g. taking possession of the properties in mortgage, imposing charges or bankruptcy action).
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Taking legal actions on clients when it is necessary. The decision is based on a thorough analysis on precedent cases, value of collateral and repayment capability of clients, etc.
Remark	