

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	Conduct loan workout with clients
Code	109276L4
Range	Coordinating and negotiating with clients for the purpose of putting a delinquent loan back on track. This applies to loans of different kinds, amount and client segments.
Level	4
Credit	3 (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 understanding of debt collection processes of the bank and apply the knowledge to review the procedures and policies to develop suitable approach for individual overdue account; • Understand handling procedures in overdue accounts and review all available information related to the reported problem loans in order to decide action steps to be taken. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Appraise repayment capability of clients by collecting and analysing relevant information such as their income, property and value of collateral, etc.; • Recommend different alternatives to facilitate troubled borrowers returning to financial health; • Provide guidance in loan restructuring to ensure the bank's return is maximized in case of default. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Negotiate with clients for coming up a mutually agreed way of settling overdue accounts; • Communicate with clients to minimize possibility of bad debts by selecting an appropriate payment arrangement to recover overdue loans; • Propose remedial actions and recovery plans for unpaid debts to protect the interest of the bank.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Suggestions of remedial actions / recovery plans for unpaid debts in order to minimize the credit loss of the bank. The suggestions should be communicated to clients and obtain their agreement.
Remark	