

Solutions and Service Delivery > Provision of Financing Solutions

Title	Monitor collateral value and issue margin call as needed
Code	106623L5
Range	Monitoring valuation of collaterals and adopting appropriate actions. This applies to collateral of any types and amounts.
Level	5
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Evaluate the needs for margin call                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Analyze theories and concepts related to credit management in order to assess the needs for issuing margin call</li> <li>• Demonstrate professional knowledge in valuation in order to interpret valuation reports and assess the value of different collaterals</li> </ul> </li> <li>2. Monitor the fluctuations in market price                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Determine the amount of minimum maintenance margin required for client's accounts, taken into consideration factors such as loan-to-value ratio and appraised value of collaterals, credit policies of the bank, etc</li> <li>• Monitor and validate market price of collateral on a regular basis</li> <li>• Monitor the changing market conditions and determine whether a new appraisal or evaluation on collaterals is required</li> <li>• Record and maintain the collateral documents and actions taken</li> </ul> </li> <li>3. Issue margin call                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Monitor the account and collateral value, call for margin when the value drop below the pre-agreed level</li> <li>• Calculate additional money or collateral required to maintain the minimum margin</li> <li>• Assess the collateral risk and adopt appropriate actions, e.g. selling a portion of assets to maintain the minimum margin, loan modification, loan restructuring, etc.</li> <li>• Review the amount of minimum margin in response to changes in the market</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Monitoring of collateral value and take appropriate actions in response to changes in market conditions, client's accounts and collateral value, etc.</li> </ul>
Remark	