

Monitor and review financing and credit facilities

Overview

This standard is about your ability to review and re-appraise authorised financing or credit facilities, together with how you manage situations where your customer has taken advantage of unauthorised facilities. You will need to pay attention to details that are critical to your work. This relates to regular or agreed review schedules and mechanisms rather than a reactive response to a situation where arrears have occurred. This is particularly the case for situations related to business financing or credit facilities, where the customer's ability to maintain repayments is affected by external factors such as the business environment as well as their own actions.

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Performance criteria

You must be able to:

1. Identify financing or credit facilities for which a review is appropriate in accordance with your organisation's procedures
2. Gather all information necessary to carry reviews in accordance with your organisation's procedures
3. Analyse the activity on accounts identifying any trends and patterns in accordance with your organisation's procedures
4. Investigate any indicators of adverse variances or trends in accounts in accordance with your organisation's procedures
5. Identify variances for which action is required in accordance with your organisation's procedures
6. Identify the causes of variances in accounts in accordance with your organisation's procedures
7. Complete a re-evaluation of any securities held against a financing or credit facility where appropriate in accordance with your organisation's procedures
8. Seek action from customers to solve any problems with their accounts in accordance with your organisation's procedures
9. Refer matters outside your own authority to the appropriate authority in accordance with your organisation's procedures
10. Identify potential risks in accordance with your organisation's procedures
11. Comply with legal requirements, industry regulations, including ethical standards, organisational policies and professional codes of practice

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Knowledge and understanding

You need to know and understand:

1. The financing or credit facilities offered by your organisation and the terms and conditions that apply to them
2. Relevant legislation and regulations affecting your work
3. Your organisation's policies and procedures for monitoring and reviewing accounts
4. External factors that may impact on customers' ability to maintain agreed terms and conditions
5. The limits of your own authority when monitoring and reviewing financing or credit facilities, and to whom you should refer any accounts which are outside your authority
6. How to recognise the warning signs of potential debt and failure to maintain agreed payments
7. The types, causes and significance of variances and trends in accounts
8. How to analyse information on accounts, including the warning signs of potential debt
9. How to investigate adverse variances or trends and to recognise when further action is required
10. Strategies for dealing with problems within accounts
11. The implications of closing accounts
12. Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including ethical standards as they impact on your activities

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Behaviours

1. You recognise and deal with changes in circumstances promptly
2. You show integrity, fairness and consistency in the decisions you make

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