

FSPFC06 – SQA Unit Code H5H4 04

Monitor and review financing and credit facilities



Overview

This unit is about your ability to review and re-appraise authorised financing and/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 and/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 and/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.

FSPFC06 – SQA Unit Code H5H4 04

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Performance criteria

- You must be able to:*
- P1 Identify financing and/or credit facilities for which a review is appropriate
 - P2 Gather all the information necessary for you to carry the review
 - P3 Analyse the activity on the account accurately identifying any trends and patterns
 - P4 Investigate any indicators of adverse variances or trends in the account
 - P5 Identify variances for which action is required in accordance with your organisation's procedures
 - P6 Identify the causes of variances in the account
 - P7 Complete a re-evaluation of any securities held against a financing and/or credit facility where appropriate
 - P8 Seek prompt action from the customer to solve any problems with their account
 - P9 Refer matters outside your own authority to an appropriate authority
 - P10 Comply with legal requirements, industry regulations, including ethical standards and health and safety, organisational policies and professional codes
 - P11 Identify potential risks

FSPFC06 – SQA Unit Code H5H4 04

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Knowledge and understanding

You need to know and understand:

- K1 The financing and/or credit facilities offered by your organisation and the terms and conditions that apply to them
- K2 Relevant legislation and regulations affecting your work
- K3 Your organisation's policies and procedures for monitoring and reviewing accounts
- K4 External factors that may impact on customers' ability to maintain agreed terms and conditions
- K5 The limits of your own authority when monitoring and reviewing financing and/or credit facilities, and to whom you should refer any accounts which are outside your authority
- K6 How to recognise the warning signs of potential debt and failure to maintain agreed payments
- K7 The types, causes and significance of variances and trends in accounts
- K8 How to analyse information on accounts, including the warning signs of potential debt
- K9 How to investigate adverse variances or trends and to recognise when further action is required
- K10 Strategies for dealing with problems within accounts
- K11 The implications of closing accounts
- K12 Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including ethical standards and health and safety as they impact on your activities

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Additional Information

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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Developed by	Financial Skills Partnership
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Relevant occupations	Finance
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