

Unit: LC1 Appraise and authorise personal borrowing applications

Overview

This unit is about assessing applications for personal borrowing facilities and implementing lending decisions based on that assessment. You will need to gather valid information from personal customers and assess it prior to making a lending decision, within your own authority. Once you have made your decision, you will have to communicate it to the borrower and make the necessary administrative arrangements for the drawdown of facilities. Assessments or judgements about applications for lending that are outside your remit will have to be referred to the relevant authority.

Outcomes of effective performance

- | | | | |
|---------|---|---------|--|
| LC1/O1 | You identify and confirm your customer's borrowing requirements and match them to an appropriate facility | LC1/O11 | You obtain the customer's agreement to the facility in writing, if required |
| LC1/O2 | You provide the customer with all essential information, and supporting material relating to the facility | LC1/O12 | You take action to release funds according to the lending agreement and advise the customer |
| LC1/O3 | You check your customer's understanding and provide them with opportunities to ask questions and seek clarification | LC1/O13 | You keep accurate and up-to-date records of lending decisions |
| LC1/O4 | You record the customer's borrowing requirements accurately | LC1/O14 | You comply with legal requirements, industry regulations, organisational policies and professional codes |
| LC1/O5 | You complete all required credit checks and record the results | | |
| LC1/O6 | You seek clarification from customers when assessments reveal discrepancies or inconsistencies | | |
| LC1/O7 | You refer applications outside your remit to the appropriate people | | |
| LC1/O8 | You take all relevant assessment factors into consideration when making lending decisions | | |
| LC1/O9 | You inform the customer of the lending decision and the terms and conditions that apply | | |
| LC1/O10 | You deal with queries or complaints about lending decisions promptly | | |

Behaviours which underpin effective performance

- | | |
|--------|--|
| LC1/B1 | You use information and knowledge effectively, efficiently and ethically |
| LC1/B2 | You show integrity, fairness and consistency in the decisions you make |
| LC1/B3 | You are vigilant for potential risks |
| LC1/B4 | You pay attention to details that are critical to your work |
| LC1/B5 | You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work |

Unit: LC1 Appraise and authorise personal borrowing applications

Knowledge and understanding

1. The types of facility available: fixed rate, fluctuating rate (base rate related, managed rate), fixed term, variable term, secured, unsecured
2. The conditions applying to each facility within the limits of your own authority
3. Benefits and features of each facility within the limits of your own authority
4. Your organisation's requirements relating to Consumer Credit Act, Financial Services and Markets Act and Data Protection Act
5. Your organisation's lending guidelines
6. The people to whom you can refer queries and applications and from whom you can seek advice
7. Fact finding processes which you can use to identify borrowing requirements
8. Your organisation's procedures for credit scoring
9. How to deal with situations where assessments reveal discrepancies or inconsistencies
10. The assessment factors you need to consider
11. How to evaluate assessment factors
12. Your organisation's drawdown procedures
13. Appropriate methods of communicating lending decisions to customers
14. How to deal with queries and complaints
15. Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including health and safety, as they impact on your activities