

**Unit: LC6 Authorise business lending**

---

**Overview**

This unit is about confirming the terms and conditions of loans, securing your customer's agreement to those terms and conditions, and authorising lending to the customer. It is concerned with all types of business borrowing, including overdrafts as well as secured and unsecured loans. You will need to evaluate different types of reports in relation to customers and their business, including the customer's financial position and the strength of their business. You will have to clarify issues relating to security against which a charge is to be made, as well as authorise the drawdown of monies to meet the conditions of the agreed borrowing facility. You will need to ensure that all negotiations are conducted within the remit of your organisation's policies and procedures for lending. You will liaise with a range of people, including both internal and external specialists, other colleagues and customers themselves.

***Outcomes of effective performance***

- LC6/O1 You evaluate all relevant reports and recommendations before making judgements about loan agreements
- LC6/O2 You approve only loans within your own limits of responsibility and your organisation's guidelines on lending
- LC6/O3 You inform your customer clearly and accurately of the lending decision and secure written acceptance of the loan agreement
- LC6/O4 You confirm the customer's understanding of all relevant aspects of the loan
- LC6/O5 You prepare all contracts in accordance with your organisation's requirements
- LC6/O6 You obtain confirmation that security is in place, when required
- LC6/O7 You release funds to the customer and advise them of the release of funds
- LC6/O8 You keep accurate and up-to-date records

- LC6/O9 You comply with legal requirements, industry regulations, organisational policies and professional codes

***Behaviours which underpin effective performance***

- LC6/B1 You use information and knowledge effectively, efficiently and ethically
- LC6/B2 You show integrity, fairness and consistency in the decisions you make
- LC6/B3 You explain things so others will understand
- LC6/B4 You pay attention to details that are critical to your work
- LC6/B5 You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work

**Unit: LC6 Authorise business lending**

---

***Knowledge and understanding***

1. Limits of your authority to approve borrowing applications
2. Implications of your organisation's requirements relating to the consumer
3. Relevant legislation and regulations affecting your business
4. Your organisation's lending guidelines
5. How to treat customers in a manner that promotes goodwill
6. The relevant reports and recommendations relating to your customer's borrowing application, including evaluations of financial and non-financial information
7. Principles and methods of assessing and interpreting relevant reports and recommendations
8. The purpose of obtaining written acceptance of agreements
9. How to identify opportunities for further discussion and negotiation with customers
10. The purpose of obtaining security and the forms that security can take
11. Procedures relating to obtaining securities that are required for advances
12. The action that is required to release funds
13. Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including health and safety, as they impact on your activities