

Unit: LC7 Monitor and control borrowing

Overview

This unit is about your ability to review and re-appraise authorised borrowing facilities, together with how you manage situations where your customer has taken advantage of unauthorised facilities. 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 borrowing, where the customer's ability to maintain repayments is affected by external factors such as the business environment as well as their own actions.

Outcomes of effective performance

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| <p>LC7/O1 You arrange for a schedule of reviews to monitor borrowing in accordance with the terms and conditions of the facility</p> <p>LC7/O2 You record all account analysis accurately</p> <p>LC7/O3 You analyse the results of monitoring and identify any trends and patterns in the account accurately</p> <p>LC7/O4 You investigate any indicators of adverse variances or trends in the account</p> <p>LC7/O5 You identify variances for which action is required in accordance with your organisation's procedures</p> <p>LC7/O6 You identify the causes of variances in the account</p> <p>LC7/O7 You complete the re-evaluation of any securities held against borrowing at appropriate intervals</p> <p>LC7/O8 You seek prompt action from the customer to solve any problems with their account</p> <p>LC7/O9 You make judgements about further action required following a complete evaluation of all relevant factors</p> <p>LC7/O10 You refer matters outside your own authority to an appropriate authority</p> | <p>LC7/O11 You comply with legal requirements, industry regulations, organisational policies and professional codes</p> |
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Behaviours which underpin effective performance

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| <p>LC7/B1 You recognise and deal with changes in circumstances promptly</p> <p>LC7/B2 You show integrity, fairness and consistency in the decisions you make</p> <p>LC7/B3 You are vigilant for potential risks</p> <p>LC7/B4 You pay attention to details that are critical to your work</p> <p>LC7/B5 You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work</p> |
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Knowledge and understanding

1. The borrowing facilities available and the terms and conditions that apply to them
2. Relevant aspects of your organisation's policy on the monitoring and control of accounts
3. Your customer's account details, including any agreed borrowing facilities
4. Your organisation's requirements relating to the implications of relevant aspects of legal and regulatory requirements and codes of conduct
5. External factors that may impact on customers' ability to maintain agreed terms and conditions
6. The authority to whom matters outside the lender's responsibility can be referred
7. How to recognise the warning signs of potential debt and failure to maintain agreed payments
8. The types and causes of variances and trends in accounts
9. The significance of variances in accounts
10. How to analyse information on accounts
11. How to investigate adverse variances or trends
12. Strategies for dealing with problems within accounts
13. The implications of closing accounts
14. Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including health and safety, as they impact on your activities