Australian Government

# FNSCRD511 Respond to personal insolvency situations

Release: 1

# FNSCRD511 Respond to personal insolvency situations

## Modification History

| Release | Comments |
|---|---|
| Release 1 | This version first released with FNS Financial Services Training Package Version 4.0. |

## Application

This unit describes the skills and knowledge required to monitor personal insolvency situations, analyse the risk impact on creditors and determine required actions.

It applies to individuals who may use a range of managerial techniques to analyse and monitor personal insolvency situations performed in their job role.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

## Unit Sector

Credit management

## Elements and Performance Criteria

| ELEMENT | PERFORMANCE CRITERIA |
|---|---|
| *Elements describe the essential outcomes.* | *Performance criteria describe the performance needed to demonstrate achievement of the element.* |
| 1. Analyse potential risk of insolvency | 1.1 Identify factors in client accounts that may contribute to a possible personal insolvency situation and indicate risk factors to the lending organisation<br>1.2 Assess impact of insolvency options that can be taken by a trustee or other third party |
| 2. Determine action | 2.1 Evaluate personal insolvency actions for client according to legislative rights and obligations of both debtor and creditor<br>2.2 Implement action according to legislative requirements, and organisational policy and procedures<br>2.3 Prepare documents required for legal proceedings, if necessary |
| 3. Review circumstances which led to the personal insolvency | 3.1 Evaluate causes of insolvency and review organisational procedures |

| ELEMENT | PERFORMANCE CRITERIA |
|---|---|
| situation | 3.2 Implement recommendations of review |

## Foundation Skills

*This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.*

| Skill | Description |
|---|---|
| Reading | • Interprets and analyses complex textual information from a range of sources to identify and monitor potential for risk |
| Writing | • Compiles documents which convey complex financial information as required |
| Numeracy | • Extracts and evaluates numerical information embedded in familiar texts and formats to assess risk and calculate associated costs |
| Self-management | • Applies systematic and analytical decision-making processes for complex and non-routine situations<br>• Accepts responsibility for planning and sequencing complex tasks and workload, negotiating key aspects with others and taking into account capabilities, efficiencies and effectiveness |

## Unit Mapping Information

Supersedes and is equivalent to FNSCRD501 Respond to personal insolvency situations

## Links

Companion Volume Implementation Guide is found on VETNet - https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe