Australian Government

FNSCRD514 Identify and manage credit risk

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with the FNS Financial Services Training Package Version 8.0. Supersedes and is equivalent to FNSCRD504 Manage the credit relationship.

Application

This unit describes the skills and knowledge required to identify and apply credit risk factors to manage credit relationships and communicate with debtors. This includes managing credit relationships with debtors in difficult circumstances and terminating credit relationships where required.

The unit applies to individuals in positions of responsibility who use strategic planning and other specialist techniques to perform their work and effectively manage internal and external relationships.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those requirements.

Unit Sector

Credit management

Elements and Performance Criteria

ELEMENT *Elements describe the essential outcomes.*	PERFORMANCE CRITERIA *Performance criteria describe the performance needed to demonstrate achievement of the element.*
1. Analyse interaction between credit relationship and business objectives and strategies	1.1 Apply credit risk factors and knowledge of environmental factors to credit relationship and compare to business objectives and strategies 1.2 Determine credit relationship requirements
2. Identify and implement response	2.1 Identify early warning signs of debtor difficulty according to organisational policies and procedures

ELEMENT	PERFORMANCE CRITERIA
to debtors in difficult circumstances	2.2 Establish communication with debtors experiencing difficult circumstances and determine their financial situation according to organisational policies and procedures 2.3 Determine required response and address debtor situation according to organisational policies and procedures, and legislative and regulatory requirements
3. Terminate credit relationship	3.1 Inform clients of termination of credit relationship as required 3.2 Maintain all records accurately and according to organisational policies and procedures, and legislative and regulatory requirements 3.3 Delete, destroy or store required documentation according to organisational policies and procedures, and legislative and regulatory requirements

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
Numeracy	• Uses mathematical skills to perform calculations and interpret a range of statistical information related to credit management activity
Oral communication	• Uses active questioning and listening techniques, initiates points of clarification and uses clear and direct language to determine client circumstances • Considers the context and selects vocabulary, grammar and structure to suit a wide range of individuals and respond to client circumstances and convey credit relationship outcomes
Reading	• Analyses and interprets textual information from internal and external sources to determine content relevant to individual client needs and to inform compliant actions
Writing	• Processes records and documents strategies using clear, concise and industry-specific language for others to interpret and follow
Planning and organising	• Applies systematic and analytical decision-making processes for complex and non-routine situations
Technology	• Completes work tasks and provides information using the main features and functions of organisation-supported digital tools

Unit Mapping Information

Supersedes and is equivalent to FNSCRD504 Manage the credit relationship.

Links

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