



Australian Government

Department of Education, Employment and Workplace Relations

FNSCRD401A Assess credit applications

Revision Number: 1

FNSCRD401A Assess credit applications

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to assess and verify information provided in credit applications, establish credit terms and limits, and notify customers of credit application outcomes.</p> <p>This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.</p>
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Application of the Unit

Application of the unit	The unit may be adapted to meet the specific needs of credit management and debt recovery job roles.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Satisfy initial enquiry	<p>1.1. Customer initial enquiries on the type, range and availability of credit are responded to and information provided in ways which show courtesy and respect for and recognise the <i>special needs of the customer</i></p> <p>1.2. Basic information such as terms and conditions and interest rate are advised and potential securitisation needs determined in accordance with <i>credit policy</i> and legislative requirements</p>
2. Assess and monitor credit information	<p>2.1. Credit applications and documentation are verified in accordance with <i>organisation policy and procedures</i> to maintain accuracy of <i>credit database information</i></p> <p>2.2. <i>Credit information</i> is analysed to establish that sufficient evidence of accurate information has been provided</p> <p>2.3. Processing of applications is completed in accordance with organisation risk policy and timelines</p> <p>2.4. Continuing liaison with debtor and relevant internal and external personnel is maintained to ensure information is kept up to date and disseminated appropriately</p>
3. Assess the risk	<p>3.1. Applicant's financial circumstances are identified in order determine the level of risk associated with the application</p> <p>3.2. Possible risks associated with the application or applicant are identified and evaluated in order to minimise or protect against risk</p> <p>3.3. The need to take <i>security</i> to minimise risk exposure is identified in accordance with organisation credit policies</p> <p>3.4. Assessment is documented in accordance with organisation procedures</p>
4. Establish credit terms and limits	<p>4.1. Credit decision is made based on assessed information and in accordance with organisation risk management policy</p> <p>4.2. Credit terms and limits are determined within organisation credit policy guidelines and current criteria for risk management objectives and customer is advised of the credit decision promptly and courteously</p>

ELEMENT	PERFORMANCE CRITERIA
	4.3. Credit account administration is completed according to organisation credit policy and timelines and <i>legislative requirements</i>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - determine and confirm credit requirements and to clarify, discuss and update account information, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - perform credit related calculations
 - use credit assessment software, spreadsheets and databases
 - access web-based information services
- research and analysis skills for accessing, interpreting and managing credit application and assessment information to determine credit terms and limits
- interpersonal skills to deal effectively with credit applicants and to liaise with other team members
- judgement skills for making credit assessments
- organisational skills, including the ability to plan and sequence work

Required knowledge

- developments in the credit management sector
- organisational policy, procedures and systems

Evidence Guide

EVIDENCE GUIDE	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • thoroughly and accurately check application details • interpret and apply appropriate legislation • implement organisation credit policy • efficiently use data entry and recording systems.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to organisation financial records.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<p><i>Special needs of the customer</i> may include needs related to:</p>	<ul style="list-style-type: none"> • age • cultural background • comprehension • disability • the language.
<p><i>Credit policy</i> includes reference to:</p>	<ul style="list-style-type: none"> • compliance • national Consumer Credit Code requirements • income • satisfactory credit history • security requirements.
<p><i>Organisation policy and procedures</i> may cover:</p>	<ul style="list-style-type: none"> • accepting and rejecting credit applications • gathering information and its evaluation • legal obligations and framework • liaison, information dissemination and marketing to internal and external parties • maintenance of customer account files • organisation procedures, practices and securitisation • overall organisation goals and objectives • reviewing and adjusting credit limits for established customers • setting credit limits or credit lines for applications • trading terms and credit limits.
<p><i>Credit database information</i> may include:</p>	<ul style="list-style-type: none"> • account records • agency reports • credit management records • judgements • master client list • trade overseas information • trade reference information.
<p><i>Credit information</i> may include:</p>	<ul style="list-style-type: none"> • changes in organisation charges • creditworthiness • director or shareholder changes

RANGE STATEMENT	
	<ul style="list-style-type: none"> • economic conditions including interest rates • entity details, addresses and locations • financial information such as: <ul style="list-style-type: none"> • cheque accounts • credit agreements • budget accounts • add-on accounts • lending authorities, personal loans and mortgages • marketing patterns in the economy • payment patterns • purchasing patterns • remittance details • letters of credit • promissory notes • bills of sale • purchase orders • trading entities and variations.
<i>Security</i> may include:	<ul style="list-style-type: none"> • application may be for an unsecured or secured loan • goods mortgage • real property mortgage • third party security: <ul style="list-style-type: none"> • co-borrower • guarantor • Personal Property Securities Act requirements.
<i>Legislative requirements</i> may include:	<ul style="list-style-type: none"> • Australian Securities and Investments Commission (ASIC) Act • Bankruptcy Act • Bills of Sale and Other Instruments Act • Cheques and Payment Orders Act • contract law • Corporations Act • Door to Door Sales Act or equivalent • Evidence Reproduction Act or equivalent • Fair Trading Act • Magistrate's Court Act • National Consumer Credit Protection Act • partnership Acts • Personal Property Securities Act • Privacy Act

RANGE STATEMENT

	<ul style="list-style-type: none">• Small Debts Court Act or equivalent• Trade Practices Act.
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Unit Sector(s)

Unit sector	Credit management
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		