



Australian Government

Department of Education, Employment and Workplace Relations

BSBCCO305B Process credit applications

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with <i>BSB07 Business Training Package version 6.0</i> Revised unit. Required skills updated to focus on learning and development practices and compliance with policy and procedures. BSBCCO305A Process credit applications

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to handle credit applications or arrangements for customers with no credit rating or a poor credit rating and as required by an organisation.

Competence in this unit requires sound credit assessment outcomes, arrangement of effective debt-recovery initiatives or programs, and negotiation of various outcomes with customers.

Application of the Unit

This unit applies in customer contact environments where assessing credit risk and recovering debts are either core functions or elements of broader customer service and sales delivery.

This work is undertaken with some supervision and guidance.

Licensing/Regulatory Information

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

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Element	Performance Criteria
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>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.</i>

Elements and Performance Criteria

1. Review and evaluate credit application	1.1 Review application to determine customer details and amount of credit required 1.2 Check existing customer records for payment history and credit standing 1.3 Obtain customer credit rating according to credit management procedures 1.4 Establish customer's credit rating and ability to repay credit advances
2. Process credit application	2.1 Approve or decline application according to organisational policy and relevant legislation, codes, regulations and standards 2.2 If declining, explain the decision to the customer and discuss alternative arrangements as necessary 2.3 Advise customer of appeal rights where appeal provisions exist and apply
3. Negotiate credit application details with customer	3.1 Negotiate and agree payment arrangements with customer where credit approval is granted 3.2 Escalate difficulties experienced in customer negotiations according to organisational policy
4. Complete administrative arrangements	4.1 Complete and forward appropriate documentation to customer 4.2 Organise credit arrangements and record details according to organisational policy and legislative requirements 4.3 Notify customer of payment arrangements according to organisational procedures 4.4 Regularly monitor and follow up customer commitments 4.5 Resolve outstanding issues relating to credit application in an efficient and timely manner

Required Skills and Knowledge

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

Required skills

- communication and negotiation skills to:
 - effectively and clearly communicate with customers at all levels
 - listen and ask questions to understand and clarify the needs of internal and external customers
- conflict resolution skills to effectively and calmly manage and resolve conflict situations
- literacy skills to clearly articulate information and advice via all contact media
- numeracy skills, including:
 - budgeting
 - financial management to solve credit issues and problems
- problem-solving skills to apply a range of problem-solving strategies
- self-management skills to:
 - comply with policies and procedures
 - manage personal stress during difficult customer contact
 - seek learning and development opportunities.

Required knowledge

- conflict resolution and negotiation techniques to facilitate effective customer service resolution
- credit and debt-recovery principles and techniques
- financial delegations and limits applied within organisation and specific to role
- legislative, regulatory and industry code requirements in relation to credit approval processes
- organisational credit management policies and procedures
- stress-management techniques to avoid burnout and personal pressure.

Evidence Guide

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.

Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the ability to: • apply organisational credit procedures • determine customer capacity to pay • discuss and explain non-approval to customers • negotiate credit terms and payment arrangements with customers • demonstrate knowledge of legislative, regulatory and industry code requirements.
Context of and specific resources for assessment	Assessment must ensure access to: • organisational credit policies and standard operating procedures • workplace information and data • relevant information on legislation, regulations, codes of practice, hardship programs and standards.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit: • direct questioning combined with review of portfolios of evidence and third-party workplace reports of on-the-job performance by the candidate • oral and/or written questioning to assess knowledge of credit policies and procedures • review of calculations of capacity to pay and payment arrangements • review of quality assurance and performance management records • review of notes on accounts • review of customer's adherence to payment arrangements or arrears history • direct observation during credit application contact.
Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example: • BSBCUS301B Deliver and monitor a service to customers

	• BSBWOR201A Manage personal stress in the workplace.
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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.

<i>Credit management procedures</i> may include:	• call-handling processes • escalation process • financial delegation and authorisation limits • hardship policies • internally developed guidelines • referral to specialist groups.
<i>Relevant legislation, codes, regulations and standards</i> may include:	• credit and finance Acts and codes • Consumer Credit Code • Do Not Call Register • equal employment opportunity and anti-discrimination legislation • freedom of information • hardship policies • industry-specific codes, regulations and legislation • occupational health and safety legislation • Privacy Act • Trade Practices Act/Competition and Consumer Act
<i>Payment arrangements</i> may include:	• agreed instalments • cash • cheque • credit card • direct debit • EFTPOS • electronic payment, e.g. BPAY.

Unit Sector(s)

Stakeholder relations – contact centre operations

Custom Content Section

Not applicable.