



Australian Government

Department of Education, Employment and Workplace Relations

FNSCRD402A Establish and maintain appropriate securitisation

Revision Number: 1

FNSCR402A Establish and maintain appropriate securitisation

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to determine and implement appropriate security options in relation to individual customers to protect the organisation against loss and exposure. 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.
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Application of the Unit

Application of the unit	The unit may be applied in financial and other organisations offering credit facilities.
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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. Identify available securitisation options	1.1. Any difference between legislative and regulatory securities is understood and applied as appropriate to both real and personal property 1.2. Legislative and regulatory requirements to the establishment of a security interest are adhered to.
2. Assess if security is required and identify appropriateness of securities available	2.1. The customer's risk profile is determined 2.2. Risk analysis is undertaken in accordance with organisation guidelines for securitisation to determine requirement for security 2.3. Where security is required the range of securities available is identified and determination is made as to which are appropriate to the type of credit facility 2.4. Valuations may be conducted and assets analysed where applicable to confirm value of security
3. Apply appropriate security	3.1. Reasons for the necessity of security are fully and clearly detailed to customers, verbally or in writing, using clear communication and reliable assistance to ensure good customer relations 3.2. Negotiation may occur with the customer in the determining of the security arrangement within defined parameters and organisation guidelines and obligations 3.3. Security interest is registered in accordance with legislative requirements
4. Monitor and review effectiveness of security arrangement	4.1. Monitor customer's account to confirm appropriateness of security arrangement 4.2. Where necessary amend the security arrangement documentation to reflect changes in customer relationship or circumstances

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 security requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences, comprehension, age, possible disability and language level of the customer
- numeracy and IT skills to:
 - perform loan related calculations
 - access and update account records electronically
 - access web-based information services
- well developed literacy skills to:
 - read and interpret documentation from a variety of sources and loan security related information
 - draft loan security documentation
- research and analysis skills for:
 - risk assessment
 - accessing, interpreting and managing information
 - ensuring compliance with relevant emerging legislation and industry development
- judgement skills for making credit risk decisions
- organisational skills, including the ability to plan and sequence work

Required knowledge

- current climate of credit management sector
- current developments in the credit management sector and all relevant organisation policy
- current full range of security options for credit
- relevant legislative requirements

Evidence Guide

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:

- interpret and implement an organisation's credit policy
- detail credit security options to customers
- analyse customer security to establish the most appropriate solutions that minimise risk to the organisation
- clarify information for all credit accounts
- determine, with customer input, a satisfactory outcome for security that suits the customer's circumstances
- use reliable and honest techniques to assist customers to select appropriate security options.

Context of and specific resources for assessment

Assessment must ensure:

- 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 organisational policy and procedures information for loan security and risk minimisation.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- 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
- setting and reviewing workplace projects and business simulations or scenarios
- 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.

Guidelines for securitisation may include:

- assessment of credit amount
- high risk loans
- reason for
- extending credit finance registration on Personal Properties Security Register (PPSR)

Range of securities may include:

- bills of sale
- chattel mortgages
- commercial securities
- fixed term deposits
- liens
- life insurance policies
- other property
- real estate mortgages
- registration on the Personal Property Security Register (PPRS).

Clear communication and reliable assistance may include:

- verbal
- written.

Organisation guidelines and obligations may cover:

- 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 invoices and other appropriate files
- maintenance of customer account
- minimising risk
- overall organisation goals and objectives
- referral to appropriate departments and/or individuals
- reviewing and adjusting credit limits for established customers
- safe storage of security documentation
- setting credit limits or credit lines for applications

RANGE STATEMENT	
	trading terms and credit limits.
Credit <i>security arrangement documentation</i> may include:	- bank guarantee - documentation relating to registration on the PPSR - secured or unsecured third party guarantee - trade credit insurance.

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		