

# Chartered Banker

## PROFESSIONAL BANKER DIPLOMA

### 2016 MODULE SPECIFICATION

<b>Title:</b>	<b>Introduction to Credit</b>
<b>Credit Value:</b>	SCQF Level - 8 SCQF Credit Points - 10
<b>Aim:</b>	To develop an understanding of how banks provide credit, including products and services, customer types, the operation of accounts and the use of security.
<b>Access Statement:</b>	There are no entry requirements for the module, although it is strongly recommended that the Professional Banker Certificate is completed prior to undertaking study for the Professional Banker Diploma.
<b>Programme of study to which unit contributes</b>	<ul style="list-style-type: none"><li>Professional Banker Diploma</li></ul> Holders of the Professional Banker Diploma may proceed to Associate Chartered Banker Diploma.
<b>Learning Outcomes:</b>	<b>Knowledge, Understanding and Skills</b> On successful completion of this module, students will be able to: <ol style="list-style-type: none"><li>1. understand the principles of lending;</li><li>2. understand credit products and services;</li><li>3. understand securities for advances;</li><li>4. understand collections and recoveries;</li><li>5. understand how to provide clear and appropriate customer communication;</li><li>6. understand the regulations and legislation relevant to credit.</li></ol>
<b>Method of Learning:</b>	Distance Learning Study Text.
<b>Assessment:</b>	Two hour online examination, consisting of 100 multiple choice questions.

## Learning Outcomes, Assessment Criteria and Content

Learning Outcomes	Assessment Criteria	Indicative Content
<b>Principles of lending</b>		
<p>1. Understand the principles of lending.</p>	<p>1.1 Explain the range of information that is typically required to assess the appropriateness of lending.</p> <p>1.2 Describe how the lending process is managed by the lender.</p> <p>1.3 Understand how profit for the lender is generated.</p>	<ul style="list-style-type: none"> <li>• The structured approach</li> <li>• The principles of lending</li> <li>• The person</li> <li>• Amount and purpose</li> <li>• Repayment</li> <li>• Viability</li> <li>• Security</li> <li>• Reward</li> <li>• Services</li> <li>• Development of credit scoring</li> <li>• The purpose of lending policy</li> </ul>

Learning Outcomes	Assessment Criteria	Indicative Content
<b>Credit products and services</b>		
<p>2. Understand credit products and services.</p>	<p>2.1 Explain what is meant by 'credit' in banking.</p> <p>2.2 Define what is meant by 'credit policy' in banking.</p> <p>2.3 Describe what is meant by 'revolving credit'.</p> <p>2.4 Describe the features of a range of credit products and services that are used by businesses in the UK.</p>	<p>Types of Credit</p> <ul style="list-style-type: none"> <li>• Overdrafts</li> <li>• Personal Loans</li> <li>• Credit Cards</li> <li>• House purchase loans</li> <li>• Bridging loans</li> <li>• Term Loans</li> <li>• Hire Purchase and Leasing</li> <li>• Self-build finance</li> <li>• Peer to peer lending</li> <li>• Home equity loans</li> </ul>

Learning Outcomes	Assessment Criteria	Indicative Content
<b>Securities for Advances</b>		
3. Understand securities for advances.	3.1 Explain what is meant by 'security'. 3.2 Identify the circumstances in which security is required on a loan. 3.3 Identify different types of security and the attributes of good security. 3.4 Describe what is meant by the 'discounted value' of security.	<ul style="list-style-type: none"> <li>• The role of 'security' in banking</li> <li>• Why and when security should be taken</li> <li>• Attributes of good and bad security</li> <li>• Types of security and their discounted value</li> <li>• The law of property</li> <li>• Security over land and property</li> <li>• Mortgage regulation</li> <li>• Guarantees</li> <li>• Stocks and shares as security</li> <li>• Types of shares</li> <li>• Life policies</li> <li>• Miscellaneous securities</li> </ul>

Learning Outcomes	Assessment Criteria	Indicative Content
<b>Collections and Recoveries</b>		
4. Understand collections and recoveries.	<p>4.1 Differentiate between collections and recoveries.</p> <p>4.1 Explain what is meant by 'irregular accounts' and explain how banks deal with these account.</p> <p>4.2 Describe the different methods that banks may use to facilitate collections.</p> <p>4.3 Outline the steps taken by banks when an irregular account is moved to recoveries.</p>	<ul style="list-style-type: none"> <li>• Collections and recoveries</li> <li>• Irregular Accounts</li> <li>• Collections actions and methods</li> <li>• Re-aging of debt</li> <li>• Recoveries</li> <li>• Intensive care units</li> </ul>

Learning Outcomes	Assessment Criteria	Indicative Content
<b>Appropriate communications with customers</b>		
<p>5. Understand how to provide clear and appropriate customer communication.</p>	<p>5.1 Describe the consequences of ineffective communication strategies in banking.</p> <p>5.2 Identify different approaches to communication between bankers and customers.</p> <p>5.3 Identify different barriers to communication.</p> <p>5.4 Explain how good negotiation skills in banking can produce positive outcomes.</p>	<ul style="list-style-type: none"> <li>• What is communication</li> <li>• Knowledge of questioning techniques</li> <li>• Listening</li> <li>• Barriers to communication</li> <li>• An introduction to negotiation skills</li> </ul>

Learning Outcomes	Assessment Criteria	Indicative Content
<b>Regulation and Legislation</b>		
<p>6. Understand the regulations and legislation relevant to credit.</p>	<p>6.1 Outline the Consumer Credit Act and explain how it is enforced.</p> <p>6.2 Explain the Banking Conduct of Business Sourcebook.</p> <p>6.3 Describe the provisions of the Consumer Rights Act.</p> <p>6.4 Explain the purpose of the Lending Code.</p>	<ul style="list-style-type: none"> <li>• The Consumer Credit Act</li> <li>• Consumer Rights Act 2015</li> <li>• Banking Conduct of Business requirements</li> <li>• The Lending Code</li> <li>• Payment Services Regulations</li> <li>• Financial Ombudsman</li> </ul>