

Risk Management and Audit > Credit Risk Management

Title	Develop policies in managing problem loans
Code	106703L5
Range	Design policies to deal with bad and doubtful debts. This applies to bad debts incurred in different types of accounts.
Level	5
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Analytical skills to handle problem loans Be able to: <ul style="list-style-type: none"> • Analyze Management Information System (MIS) reports and delinquent accounts to identify common causes for problem loans in order to formulate customized policies to handle different types of problem loans. • Analyze common practices in dealing with problem loans in order to design suitable policies which can align with the strategies of the bank 2. Design policies on collecting bad and doubtful debts Be able to: <ul style="list-style-type: none"> • Formulate different policies on loan collection based on analysis of the causes and characteristics of delinquent accounts • Design remedial actions to ensure collection of repayments 3. Formulate policies in debts restructuring Be able to: <ul style="list-style-type: none"> • Design policies in restructuring loan facility, enhancing credit limits and/or reducing interest rates in assisting customers to improve repayment capability, if warranted • Formulate guidelines in negotiating with customers to formulate plan on settling the outstanding amounts of delinquent accounts, including waiver of interest and loan haircut in certain instances
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Formulation of policies on managing bad and doubtful debts based on analysis on the bank's strategies and characteristics of delinquent accounts.
Remark	