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National Skill Development Corporation

Contents

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What are Occupational Standards(OS)?

➢ OS describe what individuals need to do, know and understand in order to carry out a particular job role or function

➢ OS are performance standards that individuals must achieve when carrying out functions in the workplace, together with specifications of the underpinning knowledge and understanding

Contact Us:
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E-mail: write the email address

Introduction

Qualifications Pack-Loan Approval Officer

SECTOR: BANKING, FINANCIAL SERVICES AND INSURANCE (BFSI)

SUB-SECTOR: Banking and Financial Services

OCCUPATION: Loan Approval Officer

Also known as Credit Processing Officer, Loan Processing Officer

REFERENCE ID: BSC / Q 0401

Brief Job Description: Loan officers evaluate, authorize, or recommend approval of loan applications for people and businesses. Their tasks include compiling the loan application file, performing preliminary checks, approving loans and submitting recommendations for loans beyond their limits for further processing.

Personal Attributes: The individual is required to have numerical and analytical skills. He must be able to perform multiple tasks accurately within fixed timelines.

<table>
<tr><td rowspan="7" style="writing-mode: vertical-lr">**Job Details**</td></tr>
</table>

Qualifications Pack Code	**Q 0401**		
Job Role	**Loan Approval Officer**		
Credits(NVEQF/NVQF/NSQF) [*OPTIONAL*]	Level 4	**Version number**	.01
Sector	Banking, Financial Services and Insurance (BFSI)	**Drafted on**	06/08/2013
Sub-sector	Banking and Financial Services	**Last reviewed on**	06/08/2013
Occupation		**Next review date**	

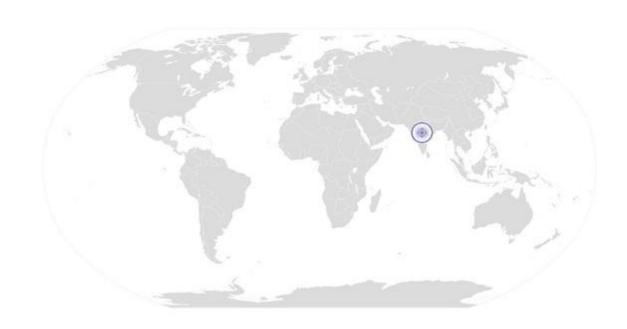| **Job Role**	**Equity Dealer**
Role Description	Loan officers evaluate, authorize, or recommend approval of loan applications for people and businesses
NVEQF/NVQF level	Level 4
Minimum Educational Qualifications* **Maximum Educational Qualifications***	Graduate
Training (Suggested but not mandatory)	Training provided by organization
Experience	6 months prior banking or credit industry experience
Applicable National Occupational Standards (NOS)	**Compulsory:** 1. BSC/ N 0401 (Prepare Loan File) 2. BSC/ N 0402 (Process and Review Applications) 3. BSC/ N 0403 (Perform Post Loan Approval Tasks) **Optional:**
Performance Criteria	As described in the relevant OS units

Keywords /Terms	Description
Sector	Sector is a conglomeration of different business operations having similar businesses and interests. It may also be defined as a distinct subset of the economy whose components share similar characteristics and interests.
Sub-sector	Sub-sector is derived from a further breakdown based on the characteristics and interests of its components.
Occupation	Occupation is a set of job roles, which perform similar/related set of functions in an industry.
Function	Function is an activity necessary for achieving the key purpose of the sector, occupation, or area of work, which can be carried out by a person or a group of persons. Functions are identified through functional analysis and form the basis of OS.
Job Role	Job role defines a unique set of functions that together form a unique employment opportunity in an organization.
OS	OS specify the standards of performance an individual must achieve when carrying out a function in the workplace, together with the knowledge and understanding they need to meet that standard consistently. Occupational Standards are applicable both in the Indian and global contexts.
Performance Criteria	Performance Criteria are statements that together specify the standard of performance required when carrying out a task.
NOS	NOS are Occupational Standards which apply uniquely in the Indian context.
Qualifications Pack Code	Qualifications Pack Code is a unique reference code that identifies a qualifications pack.
Qualifications Pack	Qualifications Pack comprises the set of OS, together with the educational, training and other criteria required to perform a job role. A Qualifications Pack is assigned a unique qualification pack code.
Unit Code	Unit Code is a unique identifier for an Occupational Standard , which is denoted by an 'N'.
Unit Title	Unit Title gives a clear overall statement about what the incumbent should be able to do.
Description	Description gives a short summary of the unit content. This would be helpful to anyone searching on a database to verify that this is the appropriate OS they are looking for.
Knowledge and Understanding	Knowledge and Understanding are statements which together specify the technical, generic, professional and organizational specific knowledge that an individual needs in order to perform to the required standard.
Organizational Context	Organizational Context includes the way the organization is structured and how it operates, including the extent of operative knowledge managers have of their relevant areas of responsibility.
Technical Knowledge	Technical Knowledge is the specific knowledge needed to accomplish specific designated responsibilities.
Core Skills or Generic Skills	Core Skills or Generic Skills are a group of skills that are key to learning and working in today's world. These skills are typically needed in any work environment. In the context of the OS , these include communication related skills that are applicable to most job roles.

Definitions

BSC/N 0401

NOS

National Occupational Standards
Prepare Loan File

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National Occupational Standard

Overview

To prepare the loan file for processing.

BSC/N 0401

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National Occupational Standards

Prepare Loan File

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National Occupational Standard

Unit Code	N 0401
Unit Title (Task)	**Prepare loan file**
Description	This OS unit is about preparing the loan file
Scope	The unit/ task cover the following: • Obtain all documents relevant for processing loan and verify against checklist • Obtain list of people who are required to sign off at various steps along the loan approval process • Prepare loan file in accordance with pre-defined structure

Performance Criteria (PC) w.r.t. the Scope	
Element	**Performance Criteria**
Operations	To be competent, the user/individual on the job must be able to: PC1. Receive list of applicants and the respective loans applied for PC2. Obtain all information/documents necessary for applying for each type of loan from sales agent/client liaison PC3. Verify whether all documents listed in the document checklist are received PC4. Check for type of loan applied for and required steps in the approval process for the same PC5. Obtain/prepare list of officers/departments that are required to sign-off on the various steps along the loan approval process PC6. Combine all collected documents into the loan file PC7. Scrutinize the file for any missing information/documents PC8. Contact client liaison or sales agent if any further documentation or clarifications are required to complete loan file PC9. Raise queries to manager/supervisor as appropriate in case any clarifications regarding the file are required PC10. Analyze applicant's financial status through documents received such as property related documents, income statements etc. PC11. Compile basic financial indicators such as accumulated repayment capacity indicator, free net cash flow indicator, indebtedness ratio etc. as required by organizational procedure PC12. Compute loan repayment schedule to determine most appropriate loan terms and conditions PC13. Ensure loan file is developed in accordance with pre-defined structure PC14. Prepare summary sheet for loan file containing the key characteristics of the loan application and applicant profile including financial indicators compiled in a concise manner PC15. Label loan file with required instructions for various departments/officers and approvals necessary for processing the loan

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BSC/N 0401   **Prepare Loan File**

General/ Administrative	To be competent, the user/individual on the job must be able to:
	PC16. Prepare reports on status of loan files prepared
	PC17. Adhere to scheduled timelines for compiling documents
	PC18. Inform Supervisor of any technical errors/delays encountered

Knowledge and Understanding (K)	
A. Organizational Context (Knowledge of the company / organization and its processes)	The user/individual on the job needs to know and understand:
	KA1. Types of Loan products and services offered by organization
	KA2. Types of documents and information required for a loan application from the client such as KYC (know your customer) documents and forms, photographs, attested certificates etc.
	KA3. Organizational procedure for loan approval process
	KA4. Credit risk and regulatory guidelines outlined by the organization relevant to loans such as sectors to avoid, customer profiles to scrutinize
	KA5. Impact and Implications of not following risk compliance requirements
	KA6. Credit risk, financial and regulatory guidelines regarding loans outlined by the Central bank and relevant authorities
	KA7. Relevant legal knowledge– Value of stamp paper on which agreement is to be signed according to loan value, guarantor details mandated, verification of title etc.
	KA8. Roles and responsibilities of all individuals/teams involved in the loan application process
	KA9. Quality standards set by organization for loan approval process
	KA10. IT processes and operational procedure for information systems used in the organization
	KA11. Customer profiling concepts such as income stability, age, dependent status etc.
	KA12. Escalation matrix for unresolved problems
	KA13. Administrative and clerical procedures and systems such as word processing, managing files, records, and other office procedures
B. Technical Knowledge	The user/individual on the job needs to know and understand:
	KB1. Nature and types of various loans and their terms of services and conditions
	KB2. Basic economic principles , understanding of financial industry and markets, reporting of financial data
	KB3. Credit concepts and methods to assess credit worthiness
	KB4. Financial/Accounting concepts such as minimum interest rates, IRR, payment schedule norms, processing fee norms etc.
	KB5. Techniques to identify red flags in application forms/documents
	KB6. Laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules relevant to background and credit checks
	KB7. Codes and labels used by organization for processing loans
	KB8. Limits specified by organization for approving loans within officer's discretion

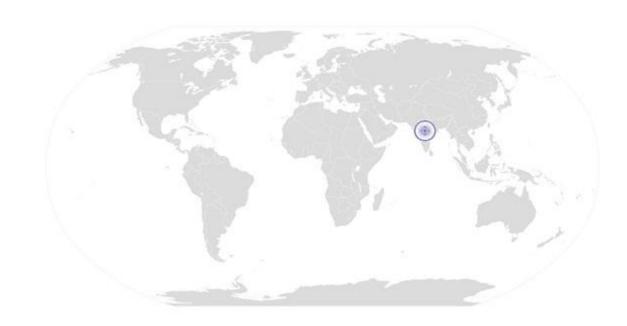|	
	KB9. Basic computer and IT skills to operating underwriting software/organization's information system
Skills (S)	
A. Core Skills/ Generic Skills	**Writing Skills**
	The user/ individual on the job needs to know and understand how to: SA1. Fill forms, label documents in clear manner SA2. Prepare concise reports and summary of loan documents for review
	Reading Skills
	The user/individual on the job needs to know and understand how to: SA.3 Write sentences, paragraphs in work related documents SA.4 Understand organizational and industry related regulations and guideline
	Oral Communication (Listening and Speaking skills)
	The user/individual on the job needs to know and understand how to: SA.5 Listen to instructions and feedback from superiors and other departments, taking time to understand the points made and asking relevant questions to complete the loan appraisal process effectively SA.6 Communicating in a clear and precise manner with others when receiving inputs or presenting the loan appraisal
B. Professional Skills	**Decision Making**
	The user/individual on the job needs to know and understand how to: SB1. Decide what documents are necessary for loan applications and obtain/compile them accordingly SB2. Make clear, logical decisions when compiling loan file.
	Organizational Skills
	The user/individual on the job needs to know and understand how to: SB3. Plan schedule for preparing loan files according to volume of applications and assigned timelines SB4. Work with other colleagues to ensure speedy processing of all loan applications
	Problem Solving
	The user/individual on the job needs to know and understand how to: SB5. Address problems arising due to technical issues or administration related issues and escalate those issues beyond one's role
	Analytical Thinking
	The user/individual on the job needs to know and understand how to: SB6. Analyze trends from industry reports, financial projections for policies, etc. SB7. To assess financial status based on the relationship & work with client to establish long term goals

	Motivation

	The user/individual on the job needs to know and understand how to:
	  SB8. Be self motivated to deliver results set by the organization and respective superiors.
	  SB9. Motivate peers and subordinates to complete tasks ahead of schedule
	  SB10. Take charge and maintain accountability for tasks completed

	Critical Thinking

	The user/individual on the job needs to know and understand how to:
	  SB11. Consistently obtain feedback and improve their performance
	  SB12. Exercise judgment in unforeseen situations which preserve company values and are in line with organizational guidelines

NOS Version Control :

NOS Code	BSC / N 0401		
Credits(NVEQF/NVQF/NSQF) [OPTIONAL]	Level 4	Version number	.01
Industry	BFSI	Drafted on	
Industry Sub-sector	Banking and Financial Services	Last reviewed on	06/08/2013
		Next review date	06/08/2013

BSC/N 0402

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National Occupational Standards
Process and Review Loans

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Overview

To process loan application, review and approve loans

Unit Code	N 0402
Unit Title (Task)	**Process and Review Loans**
Description	This OS unit is about preparing the loan file
Scope	The unit/ task cover the following: • Submit applications for additional financial/background inputs • Review and Approve loans

Performance Criteria (PC) w.r.t. the Scope	
Element	**Performance Criteria**
Operations	To be competent, the user/individual on the job must be able to: PC1. Submit applicant details for background and profile checks PC2. Initiate field credit investigations by notifying external/field agent, if applicable PC3. Conduct a tele-verification for validating preliminary details of customer if necessary PC4. Submit applications to appropriate credit and risk team/personnel for customer verification and credit ratings/recommendations reports PC5. Compile details such as Fleet list, Repayment Track Record, etc. into the loan file, to assist in appraising the credit worthiness of the customer PC6. Confer with bank experts and underwriters to resolve application problems such as mortgage evaluation etc. PC7. Update inputs received from experts, background and credit checks into the loan file PC8. Update all details in the loan file into information system if necessary/applicable PC9. Verify all personnel/teams involved have signed off the loan application PC10. Evaluate application and reports from credit/risk analysts, underwriters/underwriting software etc. PC11. List out recommendations (pros and cons) after assessment of application with a clear recommendation for action to be taken PC12. Compile the Final Approval Memo (FAM) if applicable PC13. Ensure that the purpose of financing and category of customer adheres to company norms PC14. Approve/Reject loans which are within limits specified by the organization PC15. Forward loan applications outside/above specified limits to credit committee/senior loan officer/management for approval PC16. Present summary of loan application and appraisal report to credit committee/management if applicable/necessary PC17. Answer queries regarding the loan application and appraisal from the management/credit committee

General/ Administrative	To be competent, the user/individual on the job must be able to:
	PC18. Prepare reports on status of loan applications processed
	PC19. Adhere to scheduled timelines processing applications
	PC20. Inform Supervisor of any technical errors/delays encountered
	PC21. Respond to any queries regarding application from customer liason/other departments

Knowledge and Understanding (K)	
A. Organizational Context (Knowledge of the company / organization and its processes)	The user/individual on the job needs to know and understand:
	KA1. Types of Loan products and services offered by organization
	KA2. Types of documents and information required for a loan application from the client such as KYC (know your customer) documents and forms, photographs, attested certificates etc.
	KA3. Credit Evaluation procedures as outlined by the organization
	KA4. Organizational procedure for loan approval process
	KA5. Credit risk and regulatory guidelines outlined by the organization relevant to loans such as sectors to avoid, customer profiles to scrutinize
	KA6. Impact and Implications of not following risk compliance requirements
	KA7. Credit risk, financial and regulatory guidelines regarding loans outlined by the Central bank and relevant authorities
	KA8. Legal framework and laws concerning background of applicants
	KA9. Roles and responsibilities of all individuals/teams involved in the loan application process
	KA10. Quality standards set by organization for loan approval process
	KA11. IT processes used in the organization
	KA12. Customer profiling concepts such as income stability, age, dependent status etc.
	KA13. Customer credit verification, background check reports and nature of the information to be obtained from clients
	KA14. Basic criteria for recommending loans
	KA15. Criteria for identifying red flags in loan application and background reports
	KA16. Escalation matrix for unresolved problems
	KA17. Administrative and clerical procedures and systems such as word processing, managing files and records, stenography and transcription, designing forms, and other office procedures and terminology.

B. Technical Knowledge	The user/individual on the job needs to know and understand:
	KB1. Nature and types of various loans and their terms of services and conditions
	KB2. Methods of credit evaluation
	KB3. Basic economic principles and understanding of financial industry and markets
	KB4. Financial/Accounting concepts such as minimum interest rates, IRR, payment schedule norms, processing fee norms etc.
	KB5. Laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules relevant to background and credit checks
	KB6. Codes and labels used by organization for processing loans
	KB7. Limits specified by organization for approving loans within officer's discretion
	KB8. IT skills and operating procedures for operating underwriting software/organization's information system
	KB9. Technique to interpret credit verification and background reports

Skills (S)	
A. Core Skills/ Generic Skills	**Writing Skills**
	The user/ individual on the job needs to know and understand how to:
	SA1. Fill forms, label documents in clear manner
	SA2. Prepare concise reports and summary of loan documents for review
	Reading Skills
	The user/individual on the job needs to know and understand how to:
	SA3. Write sentences, paragraphs in work related documents
	SA4. Understand organizational and industry related regulations and guideline
	Oral Communication (Listening and Speaking skills)
	The user/individual on the job needs to know and understand how to:
	SA5. Listen to instructions and feedback from superiors and other departments, taking time to understand the points made and asking relevant questions to complete the loan appraisal process effectively
	SA6. Communicating in a clear and precise manner with others when receiving inputs or presenting the loan appraisal
B. Professional Skills	**Decision Making**
	The user/individual on the job needs to know and understand how to:
	SB1. Decide what documents are necessary for loan applications and obtain/compile them accordingly
	SB2. Make clear, logical decisions when compiling loan file.
	Organizational Skills
	The user/individual on the job needs to know and understand how to:
	SB3. Plan schedule for preparing loan files according to volume of applications and assigned timelines
	SB4. Work with other colleagues to ensure speedy processing of all loan applications

		Problem Solving
		The user/individual on the job needs to know and understand how to:
		SB5. Address problems arising due to technical issues or administration related issues and escalate those issues beyond one's role
		Analytical Thinking
		The user/individual on the job needs to know and understand how to:
		SB6. Analyze trends from share industry reports, financial projections for policies, etc.
		SB7. To assess financial status based on the relationship & work with client to establish long term goals
		Motivation
		The user/individual on the job needs to know and understand how to:
		SB8. Be self motivated to deliver results set by the organization and respective superiors.
		SB9. Motivate peers and subordinates to complete tasks ahead of schedule
		SB10. Take charge and maintain accountability for tasks completed
		Critical Thinking
		The user/individual on the job needs to know and understand how to:
		SB11. Consistently obtain feedback and improve their performance
		SB12. Exercise judgment in unforeseen situations which preserve company values and are in line with organizational guidelines

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Process and Review Loans

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NOS Version Control

NOS Code	BSC / N 0402		
Credits(NVEQF/NVQF/NSQF) [*OPTIONAL*]	Level 4	Version number	.01
Industry	BFSI	Drafted on	06/08/2013
Industry Sub-sector	Banking and Financial Services	Last reviewed on	06/08/2013
		Next review date	

National Occupational Standard

<u>Overview</u>

To perform post loan processing tasks

Unit Code	N 0403
Unit Title (Task)	**Perform Post Loan Processing tasks**
Description	This OS unit is about preparing the loan file
Scope	The unit/ task cover the following: • Hand over all processed applications and document records for storage • Forward processed application details for execution • Prepare status report on all documents processed

Performance Criteria (PC) w.r.t. the Scope

Element	Performance Criteria
Operations	To be competent, the user/individual on the job must be able to: PC1. Combine all relevant documents from approval process into the loan file PC2. Destroy documents that are no longer required through appropriate procedures outlined by organization PC3. Update digital loan file with required details if necessary/applicable PC4. Forward all application details for approved loans to disbursal team/client contact personnel for loan disbursement PC5. Hand over physical loan file to appropriate personnel/team/third party for storage PC6. Forward all application details for rejected/loans pending further processing to client contact team/personnel for notifying clients on loan status PC7. Prepare report listing all applications processed and status of application PC8. Prepare list of all pending applications and timelines for processing them PC9. Report any errors/problems faced during approval process for further action/developing standardized solutions for future cases PC10. Submit reports to supervisor/management on number of applications processed, number of loans approved and rejected
General/ Administrative	To be competent, the user/individual on the job must be able to: PC11. Prepare reports on status of loan files processed and handed over PC12. Adhere to scheduled timelines processing applications PC13. Inform Supervisor of any technical errors/delays encountered PC14. Respond to any queries regarding application from customer liason/other departments

Knowledge and Understanding (K)

A. **Organizational Context** (Knowledge of the company / organization and its processes)	The user/individual on the job needs to know and understand:
	KA1. Organizational procedure for loan approval process
	KA2. Credit risk and regulatory guidelines outlined by the organization relevant to loans such as sectors to avoid, customer profiles to scrutinize
	KA3. Impact and Implications of not following risk compliance requirements
	KA4. Credit risk, financial and regulatory guidelines regarding loans outlined by the Central bank and relevant authorities
	KA5. Roles and responsibilities of all individuals/teams involved in the loan application process
	KA6. Loan products and services offered by organization
	KA7. Quality standards set by organization for loan approval process
	KA8. IT processes used in the organization
	KA9. Procedure for handover of loan documents to appropriate personnel
	KA10. Procedure for destruction/shredding of sensitive documents/documents no longer required
	KA11. Basic criteria for recommending loans
	KA12. Escalation matrix for unresolved problems
	KA13. Administrative and clerical procedures and systems such as word processing, managing files and records, stenography and transcription, designing forms, and other office procedures and terminology.
B. **Technical Knowledge**	The user/individual on the job needs to know and understand:
	KB1. Nature and types of various loans and terms of services and conditions
	KB2. Methods of storage and handling for sensitive documents as stipulated by organizational procedure
	KB3. Laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules relevant to background and credit checks
	KB4. Codes and labels used by organization for processing loans
	KB5. Basic computer and IT skills to operating underwriting software/organization's information system
Skills (S)	
A. **Core Skills/ Generic Skills**	**Writing Skills**
	The user/ individual on the job needs to know and understand how to:
	SA1. Fill forms, label documents in clear manner
	SA2. Prepare concise reports and summary of loans processed
	Reading Skills

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BSC/N 0403   **Perform Post Loan Processing Tasks**

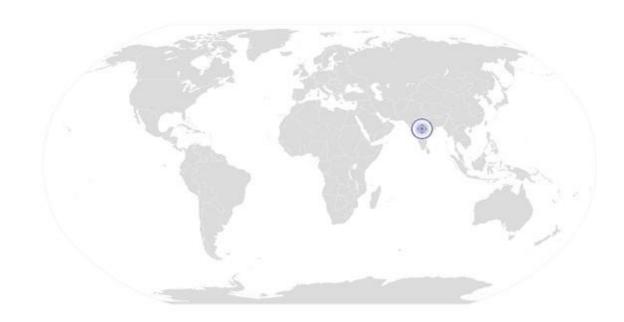|		The user/individual on the job needs to know and understand how to: SA3. Written sentences, paragraphs in work related documents SA4. Organizational and industry related regulations and guideline
		Oral Communication (Listening and Speaking skills)
		The user/individual on the job needs to know and understand how to: SA5. Listen to instructions and feedback from superiors and other departments SA6. Take time to understand the points made and asking relevant questions to complete the loan appraisal process effectively SA7. Communicating in a clear and precise manner with others when receiving inputs or presenting the loan appraisal
B. Professional Skills		**Decision Making**
		The user/individual on the job needs to know and understand how to: SB1. Decide what documents are necessary for loan applications and obtain/compile them accordingly SB2. Make clear, logical decisions when compiling loan file.
		Organizational Skills
		The user/individual on the job needs to know and understand how to: SB3. Plan schedule for preparing loan files according to volume of applications and assigned timelines SB4. Work with other colleagues to ensure speedy processing of all loan applications
		Problem Solving
		The user/individual on the job needs to know and understand how to: SB5. Address problems arising due to technical issues or administration related issues and escalate those issues beyond one's role
		Analytical Thinking
		The user/individual on the job needs to know and understand how to: SB6. Analyze trends from share industry reports, financial projections for policies, etc. SB7. To assess financial status based on the relationship & work with client to establish long term goals
		Motivation
		The user/individual on the job needs to know and understand how to: SB8. Be self motivated to deliver results set by the organization and respective superiors. SB9. Motivate peers and subordinates to complete tasks ahead of schedule SB10. Take charge and maintain accountability for tasks completed
		Critical Thinking
		The user/individual on the job needs to know and understand how to: SB11. Consistently obtain feedback and improve their performance

	SB12. Exercise judgment in unforeseen situations which preserve company values and are in line with organizational guidelines

NOS Version Control :

NOS Code	BSC / N 1001		
Credits(NVEQF/NVQF/NSQF) [OPTIONAL]	Level 4	Version number	.01
Industry	BFSI	Drafted on	06/08/2013
Industry Sub-sector		Last reviewed on	06/08/2013
		Next review date	