Contents

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

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Introduction

Qualifications Pack-Loan Approval Officer

SECTOR: BANKING, FINANCIAL SERVICES AND INSURANCE (BFSI)

SUB-SECTOR: - Banking
               -Non-Banking Financial Companies

OCCUPATION: Credit Services

Also known as Credit Processing Officer, Loan Processing Officer, Branch Credit Manager

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.

Job Details

Qualifications Pack Code	Q 0401		
Job Role	**Loan Approval Officer**		
Credits(NVEQF/NVQF/NSQF) [OPTIONAL]	TBD	**Version number**	.01
Sector	Banking, Financial Services and Insurance (BFSI)	**Drafted on**	06/08/2013
Sub-sector	- Banking - Non-Banking Financial Companies	**Last reviewed on**	30/08/2013
Occupation	**Credit Services**	**Next review date**	01/03/2014

Job Role	Loan Approval Officer
Role Description	Loan officers evaluate, authorize, or recommend approval of loan applications for people and businesses
NVEQF/NVQF level **Minimum Educational Qualifications*** **Maximum Educational Qualifications***	TBD Class XII Post-Graduate
Training (Suggested but not mandatory)	Training provided by organization
Experience	Relevant trade and 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:** 4. NA
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

Definitions		
		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.

National Occupational Standard

Overview
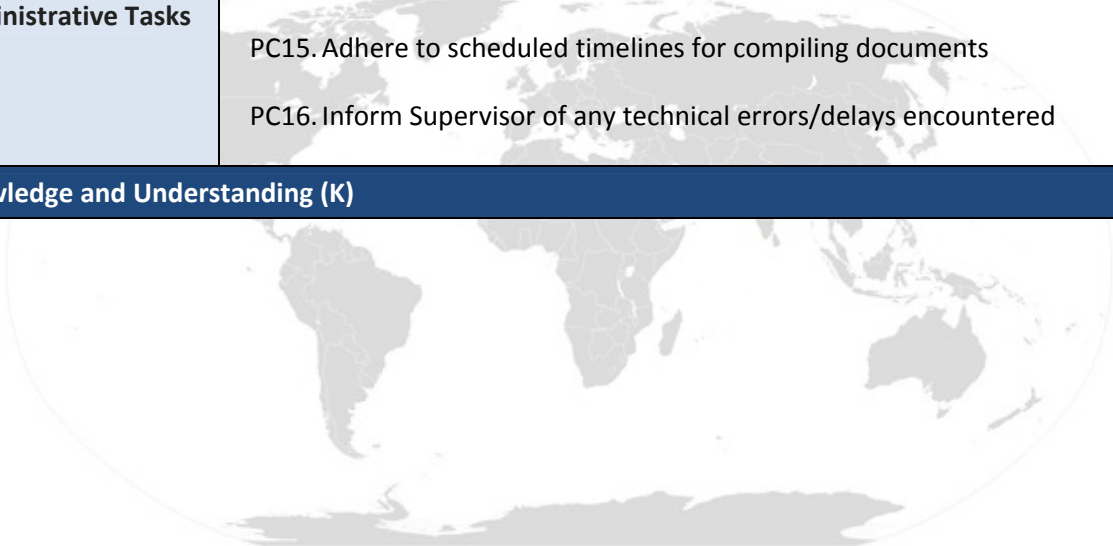
To prepare the loan file for processing.

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 • Compile all indicators and documents needed for assessing application • Prepare loan file in accordance with pre-defined structure • Perform General/ Administrative tasks

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

Element	Performance Criteria
Obtain All Documents Relevant For Processing Loan And Verify Against Checklist	To be competent, the user/individual on the job must be able to: PC1. Retrieve applications to be processed from system/applicant list 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
Compile All Indicators And Documents Needed For Assessing Application	PC5. Scrutinize the file for any missing information/documents PC6. Contact client liaison/sales field executives if any further documentations or clarifications are required to complete loan file PC7. Raise queries to manager/supervisor as appropriate in case any clarifications regarding the file are required PC8. Analyze applicant's financial status through documents received such as property related documents, income statements etc. PC9. Compile basic financial indicators such as accumulated repayment capacity

	indicator, free net cash flow indicator, indebtedness ratio etc. as required by organizational procedure
Prepare Loan File In Accordance With Pre-Defined Structure	PC10. Combine all collected documents into the loan file PC11. Ensure loan file is developed in accordance with pre-defined structure PC12. 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 PC13. Label loan file with required instructions for various departments/officers and approvals necessary for processing the loan
Perform General/ Administrative Tasks	PC14. Prepare reports on status of loan files prepared PC15. Adhere to scheduled timelines for compiling documents PC16. 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 Written sentences, paragraphs in work related documents SA.4 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 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 Code	BSC / N 0401		
Credits(NVEQF/NVQF/NSQF) [*OPTIONAL*]	TBD	**Version number**	.01
Industry	Banking, Financial Services and Insurance (BFSI)	**Drafted on**	06/08/2013
Industry Sub-sector	- Banking - Non-Banking Financial Companies	**Last reviewed on**	30/08/2013
Occupation	Credit Services	**Next review date**	01/03/2014

NOS Version Control :

National Occupational Standard

Overview

To process loan application and review loans

National Occupational Standard

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 • Process and review loans • Perform General/ Administrative tasks

Performance Criteria (PC) w.r.t. the Scope	
Element	**Performance Criteria**
Submit Applications For Additional Financial/Background Inputs	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. if applicable for loan 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
Process and Review Loans	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 if required

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

Perform General/ Administrative Tasks	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: PC1. Nature and types of various loans and their terms of services and conditions PC2. Methods of credit evaluation PC3. Basic economic principles and understanding of financial industry and markets PC4. Financial/Accounting concepts such as minimum interest rates, IRR, payment schedule norms, processing fee norms etc. PC5. Laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules relevant to background and credit checks PC6. Codes and labels used by organization for processing loans PC7. Limits specified by organization for approving loans within officer's discretion PC8. IT skills and operating procedures for operating underwriting software/organization's information system PC9. 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. 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, 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

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	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. Recognize patterns for default and assess critical financial factors in loan application
	Motivation
	The user/individual on the job needs to know and understand how to: SB7. Be self motivated to deliver results set by the organization and respective superiors. SB8. Motivate peers and subordinates to complete tasks ahead of schedule SB9. Take charge and maintain accountability for tasks completed
	Critical Thinking
	The user/individual on the job needs to know and understand how to: SB10. Consistently obtain feedback and improve their performance SB11. Exercise judgment in unforeseen situations which preserve company values and are in line with organizational guidelines

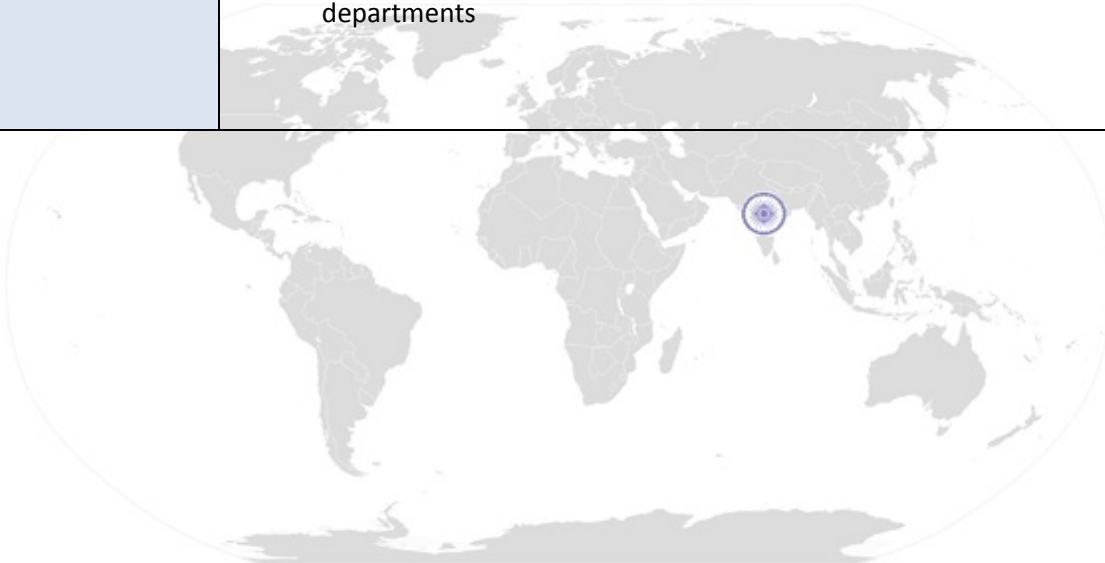| NOS Code	BSC / N 0402		
Credits(NVEQF/NVQF/NSQF) [*OPTIONAL*]	TBD	Version number	.01
Industry	Banking, Financial Services and Insurance (BFSI)	Drafted on	06/08/2013
Industry Sub-sector	- Banking - Non-Banking Financial Companies	Last reviewed on	30/08/2013
Occupation	Credit Services	Next review date	01/03/2014

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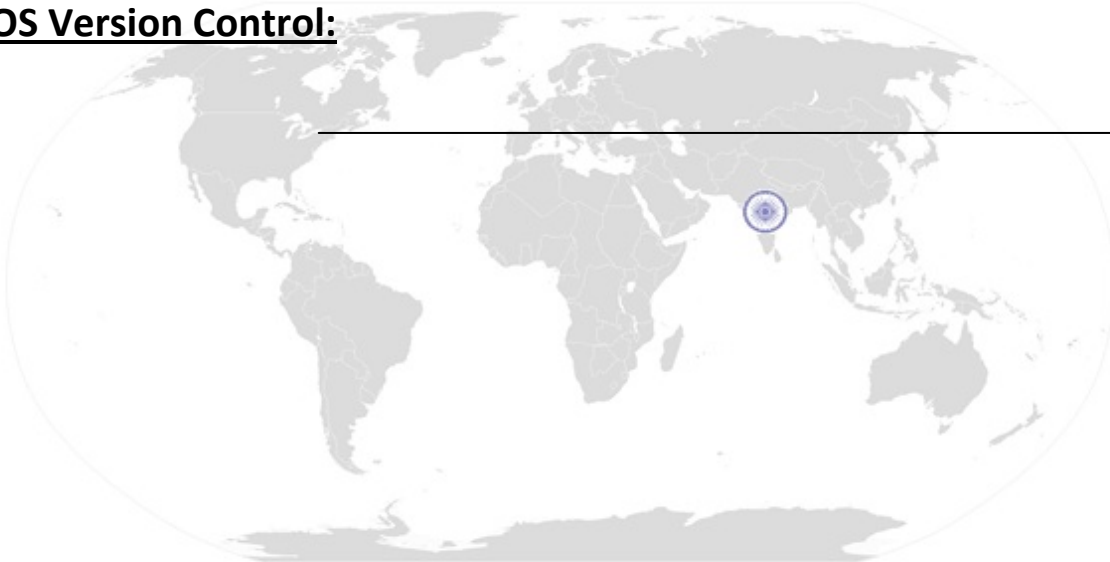
National Occupational Standard

Overview

To perform post loan processing tasks

National Occupational Standard

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/ Destroy documents no longer needed • Forward processed application details for execution • Prepare status report on all documents processed • Perform general/administrative tasks

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

Element	Performance Criteria
Hand Over All Processed Applications And Document Records For Storage/ Destroy Documents No Longer Needed	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. Hand over documents to storage if required PC3. Destroy documents that are no longer required through appropriate procedures outlined by organization PC4. Update digital loan file with required details if necessary/applicable
Forward Processed Application Details For Execution	PC7. Forward all application details for approved loans to disbursal team/client contact personnel for loan disbursement PC8. Forward all application details for rejected/loans pending further processing to client contact team/personnel for notifying clients on loan status
Prepare Status Report On All Documents Processed	PC9. Prepare report listing all applications processed and status of application PC10. Prepare list of all pending applications and timelines for processing them PC11. Report any errors/problems faced during approval process for further action/developing standardized solutions for future cases PC12. Submit reports to supervisor/management on number of applications

	processed, number of loans approved and rejected
Perform General/ Administrative tasks	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
	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 Code	BSC / N 0403		
Credits(NVEQF/NVQF/NSQF) [*OPTIONAL*]	TBD	**Version number**	.01
Industry	Banking, Financial Services and Insurance (BFSI)	**Drafted on**	06/08/2013
Industry Sub-sector	- Banking - Non-Banking Financial Companies	**Last reviewed on**	30/08/2013
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National Occupational Standards