

MODULE SPECIFICATIONS

Bank Retail Credit Practices (BRC)

Level of Study: Specialist (Level 2) – Specialised Module

Effective date: 1 September 2023

Version: 2.1

Inclusion of qualification time limit in Section F and module time limit in Section G

A. Module Aim

The Bank Retail Credit Practices (BRC) module provides a comprehensive insight into the retail credit environment, its customer types and how appropriate services are ethically matched to customer needs. The module also considers proactive management of loan portfolios, including collections and recoveries.

B. Learning Outcomes (LO)

Upon completion of this module, candidates will be able to:

- LO1 – Describe the scope of retail credit in the banking environment
- LO2 – Explain business development and the marketing plan
- LO3 – Explain the formulation and key features of an effective retail loan policy
- LO4 – Examine the sources and importance of credit information
- LO5 – Assess credit evaluation and structuring for retail loans
- LO6 – Describe the types of credit scorecards, their development, maintenance and use in retail lending
- LO7 – Explain the features and risks of consumer lending products
- LO8 – Evaluate the characteristics and risks of lending to retail SMEs
- LO9 – Relate loan and security documentation to the lending process
- LO10 – Explain loan disbursement in the lending process
- LO11 – Explain the monitoring and management of retail loan portfolios
- LO12 – Examine the collections and recovery of delinquent and impaired accounts.

C. Learning Method

A combination of methods can be adopted that includes but not limited to:

- Workshops
- Discussions
- Seminars
- Self-study

D. Assessment

Examination (Pearson-Vue Online)	MCQ	Written	Assignment
Duration	3 hours		
Format	80 questions <ul style="list-style-type: none"> 60 independent MCQs, and 20 scenario-based MCQs 		
Passing mark	60%		

E. Syllabus Outline

#	Learning topics	Learning outcomes (LO)	Assessment criteria
1	The retail banking credit environment 1.1 Overview of retail lending in Malaysia 1.2 Retail customer types 1.3 Retail loan products 1.4 Regulations and guidelines for retail banking 1.5 Trends in retail financing – Fintech, blockchain and digital banking	LO1 – Describe the scope of retail in the banking environment.	<ol style="list-style-type: none"> 1. Explain retail credit in the banking industry. 2. Recognise the characteristics of retail lending products and customer types. 3. Explain regulations and guidelines affecting retail credit. 4. Recognise the impact on retail banking of fintech, blockchain and digital banking.
2	Business development and marketing 2.1 Macroeconomic and banking industry analysis 2.2 Banking customer and competitor analysis 2.3 Business development and marketing plan	LO2 – Explain business development and the marketing plan.	<ol style="list-style-type: none"> 1. Interpret the macro-economic and retail banking industry environment. 2. Analyse competitive strategies through customer segments and competitor analysis. 3. Explain the business development and marketing plan.
3	Loan policy and product programmes 3.1 Objectives and scope of loan policy 3.2 Key features of loan policy 3.3 Product programmes 3.4 Contributing factors for an effective loan policy	LO3 – Explain the formulation and key features of an effective retail loan policy.	<ol style="list-style-type: none"> 1. Describe the role of loan policy in retail credit. 2. Discuss the key features of effective retail loan policy. 3. Explain the role of product programmes in defining the relevant lending criteria for each product.

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4	<p>Sources of credit information</p> <p>4.1 The role of reliable information in the credit process</p> <p>4.2 Verification methods</p> <p>4.3 Credit reference systems</p> <p>4.4 Prevention and mitigation of fraud and credit weakness during credit verification</p>	<p>LO4 – Examine the sources and importance of credit information.</p>	<ol style="list-style-type: none"> 1. Illustrate the importance of credit information in the credit process. 2. Determine the appropriate methods and processes of verifying credit information. 3. Recognise credit information verification as a fraud prevention action.
5	<p>Credit evaluation and structuring</p> <p>5.1 Objectives of credit evaluation</p> <p>5.2 Evaluation using the 5Cs of credit and the CAMPARI model</p> <p>5.3 Loan structuring</p> <p>5.4 Loan pricing</p> <p>5.5 Compliance with legal and regulatory requirements</p>	<p>LO5 – Assess credit evaluation and structuring for retail loans.</p>	<ol style="list-style-type: none"> 1. Recognise the objectives of credit evaluation in the lending process. 2. Analyse the 5C's of lending and the CAMPARI model. 3. Explain loan pricing for retail loans, including risk-informed pricing.
6	<p>Credit scoring</p> <p>6.1 Risk scoring as a decision tool</p> <p>6.2 Types of scorecards</p> <p>6.3 Scorecard development, implementation, and maintenance</p> <p>6.4 Uses of scoring models</p> <p>6.5 Benefits and limitations of credit scoring</p>	<p>LO6 – Describe the types of credit scorecards, their development, maintenance and use in retail lending.</p>	<ol style="list-style-type: none"> 1. Describe the types of credit scorecards. 2. Explain the development and maintenance of scorecards. 3. Describe how scoring models are used.
7	<p>Retail lending – consumer products</p> <p>7.1 Consumer credit products</p> <p>7.2 Property financing</p> <p>7.3 Investment financing products</p> <p>7.4 Hire-purchase and leasing</p> <p>7.5 Financing by manufacturers, credit companies and co-operatives</p>	<p>LO7 – Explain the features and risks of consumer lending products.</p>	<ol style="list-style-type: none"> 1. Describe the types, features, and risks of consumer credit products. 2. Describe the features and risks related to property financing. 3. Apply credit considerations to the financing of investment in shares, unit trusts, bonds and loan stocks and derivatives.

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			<ol style="list-style-type: none"> 4. Distinguish between Hire-Purchase and Leasing. 5. Describe retail credit financing provided by manufacturers, credit companies and co-operatives.
8	Retail lending – SME products 8.1 Characteristics of SMEs and their role in the economy 8.2 The risk environment of lending to SMEs 8.3 Lending products and financing facilities for SMEs 8.4 Credit evaluation of SMEs 8.5 Financial statement analysis of SMEs	LO8 – Evaluate the characteristics and risks of lending to retail SMEs.	<ol style="list-style-type: none"> 1. Explain the characteristics and risks of lending to Retail SMEs. 2. Distinguish lending products for SMEs comprising term loans, hire purchase, leasing, revolving credits, overdrafts, trade finance and non-residential property financing. 3. Explain credit evaluation for SMEs with differentiated focus on micro, small and medium enterprises. 4. Discuss how financial statements are used to evaluate the appropriateness of lending to retail SMEs.
9	Loan and security documentation 9.1 Objectives of loan documentation 9.2 Letter of offer, loan agreement, power of attorney, statutory declaration, and stamping 9.3 Land as security 9.4 Fixed deposit as security 9.5 Shares and marketable securities 9.6 Unit trusts and trust units 9.7 Assignment of life insurance policies 9.8 Debentures 9.9 Guarantees and indemnity 9.10 Letter of comfort 9.11 Negative pledge	LO9 – Relate loan and security documentation to the lending process.	<ol style="list-style-type: none"> 1. Explain the purpose and content of the letter of offer and loan agreement. 2. Recognise the legal documentation framework for landed property security. 3. Explain the security documentation process. 4. Identify legal documentation for shares, fixed deposits, unit trusts, debentures, guarantees, indemnity, letter of comfort, negative pledge and insurance policies.

#	Learning topics	Learning outcomes (LO)	Assessment criteria
10	<p>Loan disbursement</p> <p>10.1 Roles of the loan disbursement officer and the solicitor</p> <p>10.2 Completion of documentation and compliance with terms and conditions</p> <p>10.3 Disbursement of the loan</p> <p>10.4 Continuing obligations of the borrower</p> <p>10.5 Post-disbursement issues</p> <p>10.6 Notification of disbursement</p>	<p>LO10 – Explain loan disbursement in the lending process.</p>	<ol style="list-style-type: none"> 1. Identify the roles of the credit officer and the solicitors in the disbursement process. 2. Recognise the legal documentation and pre-disbursement requirements. 3. Explain how post-disbursement obligations and borrower performance is monitored.
11	<p>Retail credit portfolio monitoring</p> <p>11.1 Key components of the loan monitoring process</p> <p>11.2 Identification of warning signs</p> <p>11.3 Fraud detection</p> <p>11.4 Retail portfolio monitoring using management information systems</p>	<p>LO11 – Explain the monitoring and management of retail loan portfolios.</p>	<ol style="list-style-type: none"> 1. Describe the portfolio approach to loan monitoring and account management. 2. Describe warning signs and fraud detection in the loan portfolio. 3. Explain portfolio monitoring, including segmentation, performance indicators, concentration risk and stress testing, using management information systems.
12	<p>Collections and recovery</p> <p>12.1 Causes of delinquency</p> <p>12.2 Classification of impaired loans and provisions</p> <p>12.3 Collection strategies</p> <p>12.4 Rescheduling and restructuring</p> <p>12.5 Government assisted scheme – AKPK</p> <p>12.6 Recovery via foreclosure, repossession, and civil proceedings</p>	<p>LO12 – Examine the collections and recovery of delinquent and impaired accounts.</p>	<ol style="list-style-type: none"> 1. Explain the collection process, methods, and strategies. 2. Describe the classification of current, delinquent, and impaired loans. 3. Explain the rescheduling and restructuring of loans including government assisted schemes. 4. Explain the process of recovery, including litigation, for secured and unsecured loans.

F. Qualification Time Limit

The qualification time limit refers to the time allocated to candidates to complete all the required modules for a certificated programme at the respective level of study. Candidates must complete the programme within the stipulated qualification time limit upon enrolment, failing which they will lose all the passes accumulated and must re-apply to the programme.

The qualification time limit for Level 2 Specialised Certificated Programmes is **24 months**.

G. Module Time Limit

The module time limit refers to the time allocated to candidates to complete and pass the module after successful registration.

The module time limit starts once candidates have successfully registered to a module. The module time limit for this module is **12 months**. Please make sure you complete your module before the module time limit expires. Candidates who did not complete within the module time limit are required to re-register the module with full payment.

For more information on the qualification and module time limit, please refer to the [AICB Membership and Qualification Regulations](#).