

MODULE SPECIFICATIONS

Bank Retail Credit Practices (BRC)

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

Effective date: 1 May 2024

Version: 2.2

Revision of module specifications format

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:

L01	Describe the scope of retail credit in the banking environment.
L02	Explain business development and the marketing plan.
L03	Explain the formulation and key features of an effective retail loan policy.
L04	Examine the sources and importance of credit information.
L05	Assess credit evaluation and structuring for retail loans.
L06	Describe the types of credit scorecards, their development, maintenance and use in retail lending.
L07	Explain the features and risks of consumer lending products.
L08	Evaluate the characteristics and risks of lending to retail SMEs.
L09	Relate loan and security documentation to the lending process.
L010	Explain loan disbursement in the lending process.
L011	Explain the monitoring and management of retail loan portfolios.
L012	Examine the collections and recovery of delinquent and impaired accounts.

C. Mode of Delivery

This module is offered as Module by Intake. Candidates must enrol within a specific deadline and attempt the exam within a pre-determined period.

D. Learning Method

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

- Workshops (compulsory/optional)
- Discussions
- Seminars
- Self-study
- Moodle (Learning Management System)

E. Qualification and Module Time Limits

The qualification and module time limit for this module is as below:

Qualification Time Limit	Module Time Limit
24 months	12 months

For an extension of qualification and module time limit, please refer to the AICB Membership and Qualification Regulations ([Membership and Qualifications Regulations](#)).

F. Deferrals and Online Exam Rescheduling

Module deferment applies to this module. Module Deferment means candidates defer the whole module which includes the workshop (if applicable), assignment, and examination to the next available intake.

Candidates may apply to defer their online examination and re-book the examination based on extenuating circumstances grounds as stipulated in the regulations. Effective 13th July 2024, candidates may reschedule the online examination booking up to a maximum of three (3) times per module registration.

Please refer to AICB Membership and Qualification Regulations ([Membership and Qualifications Regulations](#)) for more information on module/workshop deferment.

G. 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 		

H. Grade Band

The grading below is applicable for this module:

Grade Band	Marks (%)
Distinction	80 to 100
Pass	60 to 79
Fail	0 to 59

I. Module Outline

#	Learning topics	Learning outcomes (LO)	Assessment criteria
1	<p>The retail banking credit environment</p> <p>1.1 Overview of retail lending in Malaysia</p> <p>1.2 Retail customer types</p> <p>1.3 Retail loan products</p> <p>1.4 Regulations and guidelines for retail banking</p> <p>1.5 Trends in retail financing – Fintech, blockchain and digital banking</p>	LO1 – Describe the scope of retail in the banking environment	<p>1. Explain retail credit in the banking industry</p> <p>2. Recognise the characteristics of retail lending products and customer types</p> <p>3. Explain regulations and guidelines affecting retail credit</p> <p>4. Recognise the impact on retail banking of fintech, blockchain and digital banking</p>
2	<p>Business development and marketing</p> <p>2.1 Macroeconomic and banking industry analysis</p> <p>2.2 Banking customer and competitor analysis</p> <p>2.3 Business development and marketing plan</p>	LO2 – Explain business development and the marketing plan.	<p>1. Interpret the macro-economic and retail banking industry environment.</p> <p>2. Analyse competitive strategies through customer segments and competitor analysis.</p> <p>3. Explain the business development and marketing plan.</p>
3	<p>Loan policy and product programmes</p> <p>3.1 Objectives and scope of loan policy</p> <p>3.2 Key features of loan policy</p> <p>3.3 Product programmes</p> <p>3.4 Contributing factors for an effective loan policy</p>	LO3 – Explain the formulation and key features of an effective retail loan policy.	<p>1. Describe the role of loan policy in retail credit.</p> <p>2. Discuss the key features of effective retail loan policy.</p> <p>3. Explain the role of product programmes in defining the relevant lending criteria for each product.</p>

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4	Sources of credit information 4.1 The role of reliable information in the credit process 4.2 Verification methods 4.3 Credit reference systems 4.4 Prevention and mitigation of fraud and credit weakness during credit verification	LO4 – Examine the sources and importance of credit information.	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	Credit evaluation and structuring 5.1 Objectives of credit evaluation 5.2 Evaluation using the 5Cs of credit and the CAMPARI model 5.3 Loan structuring 5.4 Loan pricing 5.5 Compliance with legal and regulatory requirements	LO5 – Assess credit evaluation and structuring for retail loans.	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	Credit scoring 6.1 Risk scoring as a decision tool 6.2 Types of scorecards 6.3 Scorecard development, implementation, and maintenance 6.4 Uses of scoring models 6.5 Benefits and limitations of credit scoring	LO6 – Describe the types of credit scorecards, their development, maintenance and use in retail lending.	1. Describe the types of credit scorecards. 2. Explain the development and maintenance of scorecards. 3. Describe how scoring models are used.
7	Retail lending – consumer products 7.1 Consumer credit products 7.2 Property financing 7.3 Investment financing products 7.4 Hire-purchase and leasing 7.5 Financing by manufacturers, credit companies and co-operatives	LO7 – Explain the features and risks of consumer lending products.	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.

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10	Loan disbursement 10.1 Roles of the loan disbursement officer and the solicitor 10.2 Completion of documentation and compliance with terms and conditions 10.3 Disbursement of the loan 10.4 Continuing obligations of the borrower 10.5 Post-disbursement issues 10.6 Notification of disbursement	LO10 – Explain loan disbursement in the lending process.	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	Retail credit portfolio monitoring 11.1 Key components of the loan monitoring process 11.2 Identification of warning signs 11.3 Fraud detection 11.4 Retail portfolio monitoring using management information systems	LO11 – Explain the monitoring and management of retail loan portfolios.	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	Collections and recovery 12.1 Causes of delinquency 12.2 Classification of impaired loans and provisions 12.3 Collection strategies 12.4 Rescheduling and restructuring 12.5 Government assisted scheme – AKPK 12.6 Recovery via foreclosure, repossession, and civil proceedings	LO12 – Examine the collections and recovery of delinquent and impaired accounts.	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.

Note: This document contains information that is deemed accurate and valid as of the date of publication.