



**Skill India**  
कौशल भारत - कुशल भारत

सत्यमेव जयते  
GOVERNMENT OF INDIA  
MINISTRY OF SKILL DEVELOPMENT  
& ENTREPRENEURSHIP

N.S.D.C  
RE-IMAGINE FUTURE



# Facilitator Guide



Sector  
BFSI

Sub-Sector  
Lending

Occupation  
Retail Asset Management/Central Processing

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**Credit  
Processing  
Officer**

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**Shri Narendra Modi**

Prime Minister of India

“ Skill development of the new generation is a national need and is the foundation of Aatmnirbhar Bharat ”



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The preparation of this guide would not have been possible without the banking sector's support. Industry feedback has been extremely beneficial since inception to conclusion, and it is with their guidance that we have tried to bridge the existing skill gaps in the industry. This facilitator guide is dedicated to the aspiring youth, who desire to achieve special skills that will be a long-term asset for their future pursuits.

## About this Guide

The Facilitator Guide for Credit Processing Officer has been developed to guide the trainers on how to impart training on banking related skills. The goal is to prepare industry-ready Credit Processing Officer by making them undergo Practical/Lab activity sessions. The Facilitator Guide is aligned to the Qualification Pack (QP) and the National Occupational Standards (NOS) drafted by the 'The Banking, Financial Services & Insurance (BFSI) Sector Skill Council of India' and ratified by National Skill Development Corporation.

It includes the following National Occupational Standards (NOS):

1. BSC/N2313: Verify and process loan applications
2. BSC/N2314: Ensure compliance with regulatory and internal guidelines
3. BSC/N2315: Coordinate with stakeholders for loan approval and disbursement
4. BSC/N2316: Maintain Customer records and communication
5. DGT/VSQ/N0102: Employability Skills (60 Hours)

Post this training, the participant will be able to perform tasks as an Credit Processing Officer. We hope that this Facilitator guide provides sound learning support to the aspiring trainers and the trainees.

## Symbols Used



Ask



Explain



Elaborate



Notes



Objectives



Do



Demonstrate



Activity



Team Activity



Facilitation Notes



Practical



Say



Resources



Example



Summary



Role Play



Learning Outcomes

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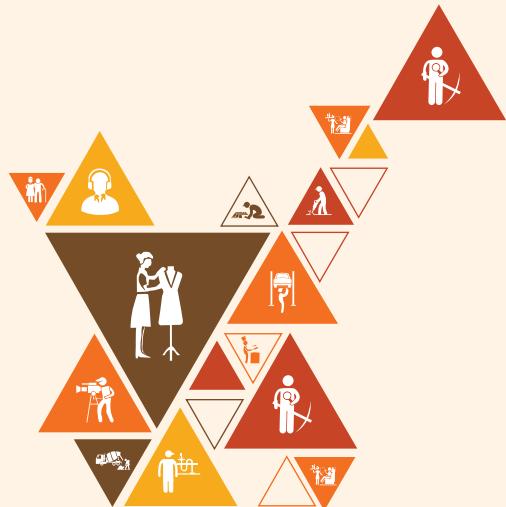


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# 1. Introduction to the Banking Sector and the Job Role of Credit Processing Officer

Unit 1.1 - Overview of Skill India Mission and Career Opportunities in the Banking Industry



BSC/N2313

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Outline the overview of Skill India Mission
2. Discuss about the Banking Industry and its sub-sectors
3. Define the role and responsibilities of Credit Processing Officer

## Unit 1.1: Overview of Skill India Mission and Career Opportunities in the Banking Industry

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Discuss the objectives and benefits of the Skill India Mission
2. Describe the scope of Banking Industry and its sub-sectors
3. Discuss job role and opportunities for a Credit Processing Officer
4. List the basic terminologies used in the banking services
5. Discuss about the career progression of a Credit Processing Officer in banking industry.

### Resources to be Used

Participant handbook, facilitator guide, whiteboard, board markers, projector, laptop, internet connection, presentation slides on Skill India Mission, charts on Indian banking structure, printed handouts of banking terminologies, sample loan application forms, sample KYC documents, flip charts, sticky notes, pens, notebooks, attendance sheet.

### Do

- Begin the session by clearly explaining the relevance of banking and credit roles in everyday life
- Use simple and relatable examples to explain abstract banking concepts
- Encourage participation by appreciating every response and clarifying doubts patiently
- Connect each topic with real banking operations and job responsibilities
- Summarise key points at regular intervals to reinforce learning

### Say

- I'm really happy to see all of you here today and I'm excited to start this session on the banking sector and the Credit Processing Officer role
- In this session, I will help you understand how the banking industry works and how you can build a career as a Credit Processing Officer
- This topic is important because understanding banking and credit processing opens doors to stable jobs and helps you make better financial decisions in life

**Ask**

- Have you ever visited a bank branch with your family for opening an account or enquiring about a loan?
- Where do people usually go when they need money urgently for studies, buying a vehicle, or building a house?

**Explain**

- Skill India Mission is a national initiative aimed at developing industry-relevant skills among youth
- The mission focuses on improving employability by aligning training with job market needs
- Reduction in unemployment is achieved by creating a skilled and job-ready workforce
- Industry and academia alignment ensures practical and outcome-based learning
- Financial literacy promotion helps individuals understand banking products and responsibilities
- Compliance awareness encourages ethical and lawful financial practices
- Digital and formal economy support promotes cashless transactions and banking inclusion
- Entrepreneurship and self-employment are encouraged through skill and credit access
- Skill certification standardises competencies across industries
- Inclusive growth ensures equal opportunities for diverse social groups
- The Indian banking sector plays a key role in economic growth and stability
- Banks mobilise savings and channel funds into productive investments
- Core banking functions include deposits, lending, payments, and remittances
- Banks support government welfare and development schemes
- Credit Processing Officers verify, process, and assess loan applications
- The role requires accuracy, attention to detail, and policy adherence
- Technical skills include documentation checks and system usage
- Behavioural skills include communication, integrity, and teamwork
- Employment opportunities exist in banks, NBFCs, and financial institutions
- Career progression is linked to experience and performance
- Credit officers contribute to risk control and regulatory compliance
- Basic banking terminology forms the foundation of banking communication

**Elaborate**

- Skill India Mission is designed to empower youth by providing structured and industry-relevant skill training. It focuses on equipping learners with practical knowledge and job-ready competencies. This approach improves long-term employability while building confidence and workplace readiness.
- Enhancement of employability occurs through competency-based training that focuses on real job roles and outcomes. Practical exposure helps learners understand actual workplace expectations. Certification further validates their skills, making them suitable for banking and financial sector roles.
- Reduction in unemployment is achieved when skilled individuals are absorbed into banks, NBFCs, and allied financial services. Job-oriented training increases placement opportunities in the formal sector. This reduces reliance on informal and unorganised employment.

- Industry-academia alignment ensures that training content reflects real banking practices and operational requirements. Learners are exposed to actual tools, systems, and workflows used in the industry. This alignment helps trainees transition smoothly from training to the workplace.
- Promotion of financial literacy and compliance awareness helps individuals understand concepts such as interest rates, loans, savings, and banking regulations. It enables informed financial decision-making in personal and professional contexts. Awareness of compliance also encourages ethical and lawful financial behaviour.
- Support for the digital and formal economy strengthens transparency in banking operations. It promotes the use of digital payments, online banking, and documented transactions. This contributes to financial inclusion and reduces cash-based informal activities.
- Encouragement of entrepreneurship and self-employment helps individuals understand access to credit and financial planning. Knowledge of banking products supports small business growth and self-led ventures. It also enables responsible borrowing and financial sustainability.
- Standardisation of skills through certification ensures uniform knowledge and competency levels across the workforce. Certified skills are recognised by employers nationwide. This improves job mobility across institutions and geographical regions.
- Inclusive growth and social empowerment ensure that individuals from all social and economic backgrounds can access skill development opportunities. It promotes participation of youth from rural, urban, and disadvantaged sections. This leads to equitable access to formal employment.
- The Indian banking sector acts as the backbone of the economy by supporting multiple sectors. It provides financial support to trade, industry, agriculture, and individuals. Banks play a crucial role in economic growth and stability.
- Functions of banks include accepting deposits from the public and lending funds to individuals and businesses. They also facilitate payments, remittances, and fund transfers. These services support smooth economic activity and financial circulation.
- The role of a Credit Processing Officer involves acting as a link between customers and the bank. The officer ensures that loan applications are accurate, complete, and compliant with policies. This role is critical for efficient credit delivery.
- Key responsibilities include verifying customer documents and checking eligibility criteria. The officer updates loan details in banking systems accurately. Coordination with internal teams ensures smooth loan processing.
- Core technical and functional skills include strong product knowledge and understanding of loan documentation. Officers must be familiar with policies, procedures, and system operations. These skills ensure accuracy and compliance in credit processing.
- Behavioural and professional skills such as ethics and confidentiality are essential in handling sensitive customer information. Effective communication and discipline build trust with customers and colleagues. These skills support compliance and professional conduct.
- Employment opportunities are available across public sector banks and private banks. Housing finance companies, NBFCs, and fintech firms also hire credit professionals. This provides diverse career options within the financial sector.
- Career progression pathways allow professionals to move into senior credit and supervisory roles. With experience, opportunities arise in risk analysis and underwriting. Leadership and managerial positions are attainable over time.
- Risk mitigation and compliance responsibilities help identify errors, discrepancies, and potential fraud. Proper checks reduce the chances of loan defaults. This protects the financial health of the bank and ensures regulatory adherence.

- Learning and skill development opportunities continue throughout a credit professional's career. Internal training programs and certifications help upgrade skills. Exposure to new loan products and regulations ensures continuous professional growth.
- Future outlook for credit professionals remains positive due to increasing demand for loans. Growth in housing finance, vehicle loans, and retail credit supports job creation. Digital lending further expands employment opportunities.
- Basic banking terminologies help individuals understand banking processes clearly. They support accurate interpretation of documents and policies. Proper terminology improves communication within the financial ecosystem.

## Demonstrate



Show a sample loan application form and explain how a Credit Processing Officer checks applicant details, documents, and completeness step by step

## Activity



1. **Activity Name:** Banking Basics and Credit Role Mapping Activity Topics Functions of Banks Job Role of Credit Processing Officer Basic Banking Terminologies
2. **Objective:** To help trainees relate banking functions and loan products with the responsibilities of a Credit Processing Office
3. **Type of activity:** Group activity
4. **Resources:** Participant handbook, sample loan forms, flip charts, markers, sticky notes
5. **Time Duration:** 25–30 minutes
6. **Instructions:**
  - Divide the participants into small groups of four to five members
  - Assign each group one banking function or loan type
  - Ask groups to list how that function or loan involves a Credit Processing Officer
  - Groups write key points on flip charts using simple words
  - Each group presents their points briefly to the class
7. **Outcome:** Participants clearly understand the connection between banking functions, loan products, and the Credit Processing Officer role

## Notes for Facilitation



- Maintain a friendly and inclusive classroom environment to encourage participation
- Use simple language and avoid heavy jargon while explaining banking concepts
- Emphasise accuracy, ethics, and compliance as core values of the credit function
- Clarify differences between loan types using everyday examples
- Motivate trainees by highlighting stable career growth and learning opportunities in the banking sector

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. c. Enhance employability through skill development
2. b. Retail Banking
3. b. KYC
4. c. Credit Processing Officer
5. b. Equal Monthly Instalment

### Descriptive Questions:

1. Refer Unit 1.1: Overview of Skill India Mission and Career Opportunities in the Banking Industry  
Topic: 1.1.1 Overview of the Skill India Mission
2. Refer Unit 1.1: Overview of Skill India Mission and Career Opportunities in the Banking Industry  
Topic: 1.1.2 Meaning and Importance of the Indian Banking Sector
3. Refer Unit 1.1: Overview of Skill India Mission and Career Opportunities in the Banking Industry  
Topic: 1.1.3 Job Role and Career Opportunities for a Credit Processing Officer
4. Refer Unit 1.1: Overview of Skill India Mission and Career Opportunities in the Banking Industry  
Topic: 1.1.4 Basic Banking Terminologies
5. Refer Unit 1.1: Overview of Skill India Mission and Career Opportunities in the Banking Industry  
Topic: 1.1.5 Career Progression of a Credit Processing Officer in the Banking Industry





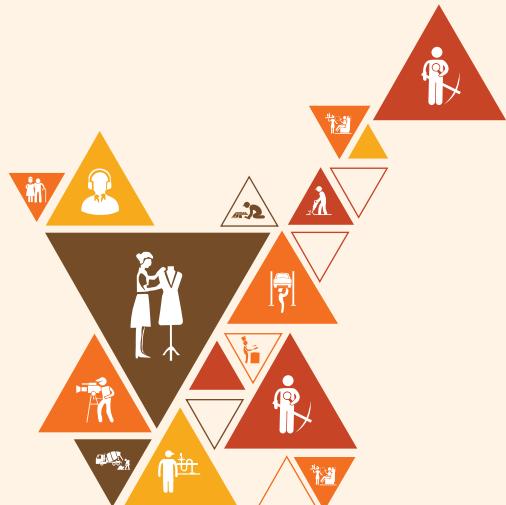
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## 2. Verify and Process Loan Applications

Unit 2.1 - Loan Application Review and Credit Eligibility Assessment

Unit 2.2 - Loan Risk Evaluation and Processing Operations



BSC/N2313

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Evaluate the completeness and accuracy of customer loan applications from different channels.
2. Ensure compliance with RBI and lender policies in loan application documentation.
3. Analyse financial stability using salary slips, bank statements, Income Tax Returns (ITR), and business financials.

## Unit 2.1: Loan Application Review and Credit Eligibility Assessment

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Collect and review customer loan applications from multiple channels, identifying missing information and discrepancies.
2. Verify borrower identity and KYC documents (Aadhaar, PAN, Passport, Voter ID) in compliance with RBI/ NBFC guidelines.
3. Examine financial documents such as salary slips, bank statements, ITRs, GST returns, and business financials to assess income and stability.
4. Analyse credit history using credit scores and credit bureau reports (CIBIL, Experian) to evaluate repayment behaviour and risk.
5. Calculate and interpret eligibility metrics, including DTI, FOIR, and LTV ratios, to determine loan eligibility.

### Resources to be Used

Participant handbook, facilitator guide, whiteboard, board markers, projector, laptop, internet connection, presentation slides on loan processing workflow, sample loan application forms, sample KYC documents, sample salary slips, bank statements, ITR copies, credit bureau report samples, calculator, flip charts, sticky notes, pens, notebooks

### Do

- Explain the end-to-end loan verification process before discussing individual steps
- Use real document samples to familiarise trainees with actual banking paperwork
- Emphasise accuracy and compliance at every stage of loan processing
- Encourage trainees to ask questions while reviewing financial and credit documents
- Reinforce key eligibility concepts using simple calculations and repetition

### Say

- I'm glad to welcome you all to today's session where we learn how loan applications are verified and processed in real banking environments
- In this session, I will help you understand how to review applications, verify documents, and assess whether a customer is eligible for a loan
- This topic is important because correct loan verification protects the bank from risk and helps customers receive loans responsibly

**Ask**

- When someone applies for a loan, what details do you think a bank checks before approving it?
- Have you heard people talk about salary slips, bank statements, or credit scores when applying for loans?

**Explain**

- Loan applications are received through branches, online portals, agents, and digital platforms
- Reviewing applications ensures completeness and accuracy of customer information
- KYC verification confirms borrower identity and compliance with RBI and NBFC guidelines
- Identity documents help prevent fraud and money laundering
- Financial document examination helps assess income and repayment ability
- Salary slips and bank statements are used for salaried applicants
- ITR and business documents are used for self-employed applicants
- Income stability is assessed to determine repayment capacity
- Common issues include mismatched data, incomplete documents, and irregular income
- Credit scores indicate borrower creditworthiness and repayment behaviour
- Credit reports provide detailed credit history and existing liabilities
- Repayment patterns help evaluate financial discipline
- Credit exposure and utilisation show existing debt burden
- Multiple credit enquiries may increase risk perception
- Credit history supports risk-based lending decisions
- Credit reports must be analysed carefully with limitations in mind
- DTI ratio compares total debt with income
- FOIR measures fixed obligations against income
- LTV assesses loan amount against asset value
- Combined use of DTI, FOIR, and LTV improves eligibility assessment accuracy

**Elaborate**

- Collecting and reviewing loan applications from multiple channels ensures that customer information is captured accurately whether the application is submitted through a branch, online portal, or agent. It helps the Credit Processing Officer identify missing or inconsistent details at an early stage. Proper review reduces back-and-forth with customers and speeds up processing. This improves operational efficiency and customer satisfaction.
- Verification of borrower identity and KYC documents ensures compliance with RBI and NBFC regulatory guidelines. It helps confirm that the applicant is genuine and legally identifiable. Proper KYC verification prevents fraud, impersonation, and money laundering activities. It also protects the bank from regulatory penalties and reputational risk.

- Examination of financial documents enables the Credit Processing Officer to understand the borrower's income sources and earning patterns. It provides insight into financial stability and the borrower's ability to meet loan obligations. Accurate examination supports responsible lending decisions. It also reduces the risk of future defaults.
- Financial documents for salaried applicants such as salary slips and bank statements help verify fixed monthly income. These documents indicate employment stability and continuity of earnings. Regular salary credits build confidence in repayment ability. They also help calculate accurate eligibility ratios.
- Financial documents for self-employed applicants such as ITRs, balance sheets, and business statements reflect business income trends. These documents help assess profitability and sustainability of the business. Multiple years of records indicate income consistency. They also support realistic loan eligibility assessment.
- Income Tax Return is an official document filed with tax authorities declaring an individual's income. It acts as a reliable proof of income and financial credibility. ITRs help validate income claimed by the applicant. They are especially important for self-employed borrowers.
- Assessing income stability and repayment capacity ensures that the borrower can manage EMIs comfortably. It helps avoid situations where loan repayments cause financial stress. Stable income reduces the likelihood of default. This assessment supports long-term loan performance.
- Common issues identified during financial review include mismatched income details and missing documentation. Unverifiable income sources raise concerns about repayment ability. Irregular cash flows may indicate instability. Identifying these issues early prevents incorrect loan approvals.
- Understanding credit scores helps evaluate a borrower's past credit behaviour. A good score indicates timely repayments and responsible credit usage. Low scores may signal defaults or over-borrowing. Credit scores assist in quick risk categorisation.
- Key components of a credit bureau report include active and closed credit accounts. It also shows repayment history and outstanding loan balances. Enquiry records reflect recent credit applications. Together, these components present a complete credit profile.
- Evaluating repayment behaviour helps identify patterns such as timely payments or repeated delays. It highlights defaults, settlements, or restructuring history. Consistent repayment builds confidence in the borrower. Poor behaviour signals higher credit risk.
- Assessing credit exposure and utilisation shows how much debt the borrower already carries. High utilisation indicates heavy dependence on borrowed funds. It may limit the borrower's ability to take additional loans. This assessment prevents over-leveraging.
- Impact of credit enquiries reflects how frequently a borrower applies for credit. Multiple recent enquiries may indicate financial stress. It can also suggest aggressive borrowing behaviour. This factor influences risk assessment.
- Using credit history for risk-based decisions enables banks to differentiate between low-risk and high-risk borrowers. It supports fair pricing and appropriate loan terms. Good credit history allows faster approvals. Poor history may require stricter controls.
- Limitations of credit reports mean they may not capture recent income changes. Reports may also miss informal income sources. Officers must apply judgement along with report data. Contextual evaluation improves decision quality.
- Debt-to-Income ratio compares total debt obligations with monthly income. It helps assess whether the borrower's debt level is manageable. Lower DTI indicates better repayment capacity. High DTI increases default risk.
- Fixed Obligation to Income Ratio measures fixed monthly commitments against income. It includes EMIs and other regular obligations. FOIR helps determine remaining disposable income. It is critical for EMI affordability checks.

- Loan-to-Value ratio compares the loan amount with the asset's market value. It indicates the bank's exposure in case of default. Lower LTV reduces lending risk. Higher LTV requires stricter evaluation.
- Combined use of DTI, FOIR, and LTV provides a holistic view of borrower eligibility. Each ratio addresses a different risk dimension. Together, they support balanced and informed credit decisions. This approach improves portfolio quality.

## Demonstrate



Demonstrate how to verify a sample loan application by checking KYC documents, reviewing income proofs, and calculating basic eligibility ratios

## Activity



1. **Activity Name:** Loan Eligibility Review Activity Topics Loan Application Review Financial Document Examination Credit Eligibility Metrics
2. **Objective:** To help trainees practice reviewing loan documents and assessing basic eligibility criteria
3. **Type of activity:** Group activity
4. **Resources:** Participant handbook, sample loan forms, sample income documents, calculator, flip charts, markers
5. **Time Duration:** 25–30 minutes
6. **Instructions:**
  - Divide participants into small groups of four to five members
  - Provide each group with a sample loan application and income documents
  - Ask groups to check document completeness and identify income type
  - Instruct groups to calculate a simple DTI or FOIR using provided figures
  - Groups share their findings with the class
7. **Outcome:** Trainees understand practical steps involved in loan verification and eligibility assessment

## Notes for Facilitation



- Maintain a supportive learning environment where trainees feel comfortable handling documents
- Use simple numerical examples while explaining ratios and calculations
- Emphasise regulatory compliance and accuracy as critical job requirements
- Clarify differences between salaried and self-employed income assessment
- Reinforce the importance of ethical judgement in credit decision-making

## Unit 2.2: Loan Risk Evaluation and Processing Operations

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Differentiate between secured and unsecured loans and validate collateral/property documents, ownership records, and valuation reports.
2. Identify and assess common risk factors such as fraudulent documents, undisclosed liabilities, and financial inconsistencies.
3. Perform employment and business verification through simulated verification calls, offer letters, and organizational credentials.
4. Discuss the roles and coordination of internal teams (sales, loan officers, risk, underwriting) in the loan processing lifecycle.
5. Use Loan Management Systems (LMS) to enter data, maintain digital records, generate reports, and finalize applications for approval with audit readiness.

### Resources to be Used



Participant handbook, facilitator guide, whiteboard, board markers, projector, laptop, internet connection, presentation slides on secured and unsecured loans, sample collateral documents, sample property papers, gold loan documents, vehicle RC copies, employment verification formats, business verification checklists, loan risk assessment charts, Loan Management System demo screens or screenshots, flip charts, sticky notes, pens, notebooks

### Do



- Begin by explaining how loan risk evaluation fits into the overall loan processing workflow
- Use simple examples to differentiate secured and unsecured loans and related risks
- Display sample documents while explaining verification and validation steps
- Encourage trainees to observe risk indicators rather than memorising rules
- Recap LMS steps clearly to link evaluation with final loan processing

### Say



- I'm excited to welcome you all to this session where we learn how banks evaluate risk before approving a loan
- In this session, I will help you understand different loan risks, document validation, and how loan applications are finalised in systems
- This topic is important because proper risk evaluation protects the bank and ensures loans are given responsibly

**Ask**

- When someone borrows money from a friend, what happens if they are unable to return it?
- Why do you think banks sometimes ask for property, gold, or vehicles before giving a loan?

**Explain**

- Secured loans are backed by assets that reduce lending risk
- Unsecured loans are given without collateral and carry higher risk
- Collateral validation ensures asset ownership and legal authenticity
- Common loan risks include income risk, credit risk, and fraud risk
- Risk assessment helps prevent loan defaults and losses
- Employment verification confirms job stability for salaried borrowers
- Business verification checks income continuity for self-employed borrowers
- Verification may be conducted through field visits or tele-calls
- Loan risk evaluation supports compliance and policy adherence
- Loan Management System records loan data digitally
- Application finalisation requires accurate data entry and approval routing

**Elaborate**

- Difference between secured and unsecured loans is based on whether collateral is provided to the lender. Secured loans are backed by assets such as property, gold, or vehicles, which reduce the lender's risk. Unsecured loans do not require collateral and are approved mainly on income and creditworthiness. Due to higher risk, unsecured loans usually have stricter eligibility criteria and higher interest rates.
- Validating collateral documents ensures that the asset offered as security is genuine, legally owned, and acceptable as per bank policy. This process includes checking ownership papers, valuation reports, and legal clearances. Proper validation prevents disputes and fraudulent lending. It also protects the bank's financial interest in case of default.
- Identification of common risk factors involves analysing borrower income, credit history, employment stability, and asset quality. Risk factors may arise from irregular income, poor credit behaviour, or incomplete documentation. Early identification helps in taking preventive measures. This supports safer and more responsible lending.
- Assessment of loan risk helps the Credit Processing Officer decide whether an application meets risk acceptance norms. It ensures that high-risk cases receive additional scrutiny. Proper risk assessment reduces loan defaults. It also improves overall portfolio quality of the bank.
- Performance of employment verification confirms the borrower's job status, designation, and length of employment. Verification may be done through employer confirmation, official email, or field checks. It ensures that income details provided are accurate. This reduces the risk of fake or temporary employment claims.
- Employment verification also helps assess job stability and continuity of income. Borrowers with stable employment pose lower repayment risk. It supports accurate eligibility calculation. This process strengthens credit decision reliability.

- Performance of business verification ensures that self-employed borrowers have an active and legitimate business. It includes checking business location, registration, and operational activity. Verification confirms income sustainability. This reduces the risk of lending based on inflated or false business income.
- Business verification may involve site visits, business proofs, and interaction with the applicant. It helps understand business scale and operations. Continuous business activity indicates repayment capability. This process supports realistic loan approval.
- Loan Management System operations involve entering, updating, and tracking loan application data digitally. LMS ensures uniform processing across branches and channels. It improves transparency and accountability. Proper LMS usage reduces manual errors.
- Application finalisation in LMS includes completing all verification updates and submitting the case for approval. Accurate data entry is essential for smooth approval flow. Finalisation ensures faster decision-making. It also supports timely loan disbursement.

## Demonstrate



Demonstrate how a secured and unsecured loan application is reviewed by checking collateral documents and updating basic details in a Loan Management System

## Activity



1. **Activity Name:** Loan Risk Identification and Processing Activity Topics Secured and Unsecured Loans Risk Factors LMS Operations
2. **Objective:** To help trainees identify loan risks and understand basic processing steps
3. **Type of activity:** Group activity
4. **Resources:** Participant handbook, sample loan documents, collateral copies, flip charts, markers
5. **Time Duration:** 25–30 minutes
6. **Instructions:**
  - Divide participants into small groups of four to five members
  - Provide each group with a sample loan type and document set
  - Ask groups to identify whether the loan is secured or unsecured
  - Instruct them to list possible risks and required verification steps
  - Groups share observations with the class
7. **Outcome:** Trainees understand loan risk factors, collateral relevance, and basic processing flow

## Notes for Facilitation



- Encourage active participation and avoid technical jargon overload
- Maintain clarity while explaining risk concepts using simple examples
- Highlight importance of document authenticity and compliance
- Emphasise difference in risk handling for secured and unsecured loans
- Reinforce LMS accuracy as a key responsibility of Credit Processing Officers

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. b. Aadhaar
2. c. Fixed Obligation to Income Ratio
3. c. CIBIL
4. c. Secured Loan
5. c. Loan Management System

### Descriptive Questions:

1. Refer Unit 2.1: Loan Application Review and Credit Eligibility Assessment  
Topic: 2.1.1 Collecting and Reviewing Customer Loan Applications from Multiple Channels
2. Refer Unit 2.1: Loan Application Review and Credit Eligibility Assessment  
Topic: 2.1.2 Verification of Borrower Identity and KYC Documents in Compliance with RBI/NBFC Guidelines
3. Refer Unit 2.1: Loan Application Review and Credit Eligibility Assessment  
Topic: 2.1.3 Examination of Financial Documents to Assess Income and Financial Stability  
Topic: 2.1.4 Credit History, Credit Scores and Credit Bureau Reports  
Topic: 2.1.5 Calculation and Interpretation of Loan Eligibility Metrics: DTI, FOIR, and LTV
4. Refer Unit 2.2: Loan Risk Evaluation and Processing Operations  
Topic: 2.2.1 Difference Between Secured and Unsecured Loans and Validating Collateral Documents
5. Refer Unit 2.2: Loan Risk Evaluation and Processing Operations  
Topic: 2.2.5 Loan Management System (LMS) Operations and Application Finalisation



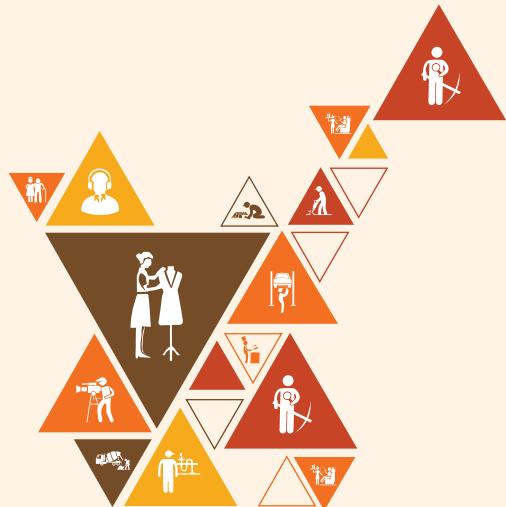
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### 3. Ensure Compliance with Regulatory and Internal Guidelines

Unit 3.1 - Regulatory Compliance and Due Diligence in Loan Processing

Unit 3.2 - AML Compliance and Risk Monitoring in Loan Processing



BSC/N2314

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Explain RBI guidelines and internal banking policies for loan assessment and processing.
2. Differentiate between standard customer verification and enhanced due diligence (EDD) for highrisk individuals, including Politically Exposed Persons (PEPs).
3. Perform address verification using documents like utility bills, rental agreements, or bank statements.

## Unit 3.1: Regulatory Compliance and Due Diligence in Loan Processing

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain RBI guidelines and internal banking policies governing compliant loan processing.
2. Demonstrate the importance of KYC and AML compliance in preventing financial crime and regulatory breaches.
3. Identify mandatory KYC documents and verify customer identity using government databases such as UIDAI and NSDL.
4. Differentiate between standard due diligence and Enhanced Due Diligence (EDD) for high-risk customers, including PEPs.
5. Assess loan applications for regulatory compliance by validating financial documents, eligibility criteria, and RBI norms.

### Resources to be Used

Participant handbook, facilitator guide, whiteboard, board markers, projector, laptop, internet connection, presentation slides on RBI regulations, internal banking policy manuals, sample KYC documents, AML checklist formats, government database screenshots for identity verification, due diligence flow charts, compliance audit checklists, flip charts, sticky notes, pens, notebooks

### Do

- Start the session by explaining why compliance is critical in banking and loan processing
- Use practical examples to connect regulatory rules with daily work responsibilities
- Highlight consequences of non-compliance using simple and relatable language
- Encourage trainees to read and interpret policy instructions carefully
- Reinforce ethical responsibility and accuracy at every compliance step

### Say

- I'm very happy to welcome you all to this session where we understand how compliance keeps banks safe and trustworthy
- In this session, I will help you learn about regulatory rules, due diligence, and how to process loans correctly as per guidelines
- This topic is important because even small compliance errors can lead to penalties and serious consequences for banks and employees

**Ask**

- Have you ever been asked to show identity proof while opening a bank account or taking a SIM card?
- Why do you think banks ask many questions and documents before approving a loan?

**Explain**

- RBI issues regulatory guidelines that banks must follow while processing loans
- Internal banking policies convert regulatory rules into operational procedures
- Compliance ensures transparency, accountability, and customer protection
- KYC norms help verify customer identity and authenticity
- AML guidelines help prevent money laundering and financial crimes
- Mandatory KYC documents establish customer identity and address
- Government databases support digital identity verification
- Due diligence checks assess customer risk level
- Enhanced due diligence applies to high-risk customers
- Regulatory compliance assessment ensures loan approval meets all rules

**Elaborate**

- RBI guidelines and internal banking policies provide a structured framework that governs how loans are processed, approved, and monitored while ensuring consistency and legal compliance across banking operations. These guidelines define acceptable practices, documentation standards, and approval hierarchies. Internal policies translate regulatory rules into day-to-day operational steps. Together, they ensure uniformity and reduce ambiguity in loan processing.
- Following regulatory guidelines helps banks avoid penalties, audits, and reputational damage while maintaining trust with customers and regulators. Non-compliance can result in heavy fines and operational restrictions. Adherence to rules strengthens governance and accountability. It also builds long-term credibility for the institution.
- Importance of KYC and AML compliance lies in preventing identity fraud, money laundering, and misuse of the financial system through proper customer verification and transaction monitoring. KYC establishes who the customer is, while AML monitors how funds are used. Together, they help detect suspicious activities early. This protects both the bank and the financial system.
- Strong KYC and AML practices protect banks from regulatory breaches and ensure ethical lending practices. They reduce exposure to illegal activities and financial crime. Proper compliance also safeguards employees from legal consequences. It reinforces a culture of responsibility and integrity.
- Mandatory KYC documents such as Aadhaar, PAN, and address proof help establish the true identity of customers and reduce impersonation risks. These documents provide verifiable personal and demographic information. They support accurate customer profiling. Mandatory documentation is the first step toward secure loan processing.
- Verification using government databases allows banks to digitally authenticate customer information and improve processing accuracy. It reduces manual errors and document forgery. Digital verification speeds up decision-making. It also enhances transparency and audit readiness.

- Standard due diligence involves basic identity and risk checks for regular customers with low risk profiles. It includes verification of KYC documents and basic background checks. This process balances efficiency with compliance. It is suitable for routine and low-risk loan cases.
- Enhanced due diligence applies additional scrutiny, documentation, and monitoring for high-risk customers to manage increased exposure. It may involve deeper background checks and transaction analysis. EDD is applied to customers with higher risk indicators. This ensures stricter control and risk mitigation.
- Difference between standard due diligence and enhanced due diligence lies in the depth of verification and level of monitoring applied. Standard due diligence focuses on basic compliance needs. Enhanced due diligence requires continuous monitoring and detailed investigation. The approach depends on customer risk categorisation.
- Assessment of loan applications for regulatory compliance ensures that all required checks, documents, and approvals are completed before sanction. It confirms adherence to RBI norms and internal policies. Compliance assessment reduces approval errors. It also ensures consistency across all loan cases.
- Compliance assessment reduces operational risk and supports smooth audits and inspections. Proper documentation helps during regulatory reviews. It demonstrates adherence to established processes. Strong compliance practices simplify internal and external audits.

## Demonstrate



Demonstrate how to verify a customer's KYC documents using a checklist and cross-check details with a sample government database record

## Activity



1. **Activity Name:** Compliance Checklist and Due Diligence Activity Topics RBI Guidelines KYC AML Due Diligence
2. **Objective:** To help trainees understand practical application of compliance checks during loan processing
3. **Type of activity:** Group activity
4. **Resources:** Participant handbook, sample KYC documents, compliance checklist, flip charts, markers
5. **Time Duration:** 25–30 minutes
6. **Instructions:**
  - Divide participants into small groups of four to five members
  - Provide each group with a sample customer profile and KYC document set
  - Ask groups to identify whether standard or enhanced due diligence is required
  - Instruct them to tick applicable compliance checks on the checklist
  - Groups briefly present their compliance decisions
7. **Outcome:** Trainees gain clarity on regulatory compliance steps and due diligence requirements

## Notes for Facilitation



- Maintain clarity and patience while explaining regulatory concepts
- Encourage questions to avoid misunderstanding of compliance rules
- Emphasise zero tolerance for shortcuts in KYC and AML processes
- Highlight differences between standard and enhanced due diligence clearly
- Reinforce compliance as a shared responsibility across the organisation

## Unit 3.2: AML Compliance and Risk Monitoring in Loan Processing

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Screen customers against RBI defaulters' lists and global watchlists (OFAC, UNSC) to meet AML requirements.
2. Analyse transaction patterns to detect indicators of money laundering, fraud, or suspicious activity.
3. Report suspicious transactions (STRs) in accordance with prescribed AML reporting procedures.
4. Prepare a compliant loan processing report covering verification outcomes, risk assessment, and compliance checks.
5. Maintain secure, well-organized loan records in line with data protection, confidentiality, document retention, and audit readiness requirements.

### Resources to be Used



Participant handbook, facilitator guide, whiteboard, marker pens, projector, laptop, presentation slides, RBI AML guideline extracts, sample defaulters list printouts, sample global watchlist screenshots, dummy transaction statements, STR reporting format, sample loan processing reports, file folders, notepads, pens

### Do



- Introduce the concept of AML compliance by linking it to real banking risks and regulatory expectations
- Explain each AML-related process step with practical banking examples relevant to loan processing
- Encourage participants to actively observe patterns and red flags during discussions
- Use visual aids and sample documents to simplify compliance concepts
- Summarise key compliance responsibilities of a Credit Processing Officer at the end

### Say



- Good morning everyone, I'm excited to welcome you to today's session where we explore how banks protect themselves and customers through AML compliance
- In this session, I will help you understand how customer screening, transaction monitoring, and proper reporting support safe and compliant loan processing
- This topic is important for you because AML compliance is a core responsibility that protects your job, your organisation, and the financial system

**Ask**

- Have you ever noticed banks asking extra questions or documents when large amounts of money are involved?
- Why do you think unusual money movements sometimes attract attention from banks?

**Explain**

- Importance of customer screening against RBI defaulters' lists and global watchlists
- Role of AML checks in preventing money laundering and terror financing
- Identification of suspicious transaction patterns during loan processing
- Understanding red flags related to abnormal fund movement and borrower behaviour
- Purpose and process of filing Suspicious Transaction Reports
- Significance of preparing accurate and compliant loan processing reports
- Importance of maintaining secure and organised loan records for audits and investigations

**Elaborate**

- Customer screening against RBI defaulters' lists and global watchlists ensures that banks do not engage with individuals or entities involved in financial crimes. This process helps identify sanctioned persons, wilful defaulters, and high-risk customers before loan approval. Early screening protects banks from legal violations and reputational damage. It also supports responsible lending practices.
- Analysis of transaction patterns helps detect unusual financial behaviour that may indicate money laundering or fraud. Sudden large deposits, frequent high-value transfers, or inconsistent repayment patterns raise alerts. Monitoring such activities allows banks to take preventive action. This continuous vigilance strengthens financial system integrity.
- Suspicious Transaction Reports are formal records submitted when abnormal or questionable financial activity is identified. STRs help regulatory authorities investigate potential financial crimes. Accurate and timely reporting is mandatory under AML regulations. Failure to report can lead to severe penalties for banks.
- Preparation of a compliant loan processing report ensures that every step of the loan journey is documented clearly and accurately. It includes verification records, risk assessments, and compliance confirmations. Proper reporting supports transparency and accountability. It also simplifies audits and internal reviews.
- Maintenance of secure and well-organised loan records helps banks retrieve information quickly during audits, inspections, or investigations. Secure storage prevents data misuse and loss. Proper record management ensures regulatory readiness. It also supports long-term operational efficiency.

**Demonstrate**

Show participants how a customer name is checked against a sample defaulters list and how a suspicious transaction is flagged and noted in a basic AML register.

## Activity



1. **Activity Name:** AML Alert Identification Exercise (Topics: Customer Screening, Transaction Pattern Analysis, STR Awareness)
2. **Objective:** To help participants identify basic AML red flags and understand reporting awareness
3. **Type of Activity:** Group activity
4. **Resources:** Sample transaction sheets, printed watchlist names, STR format sample, pens, notepads
5. **Time Duration:** 25–30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a set of transaction summaries and customer names
  - Ask them to identify any unusual patterns or names requiring attention
  - Instruct them to note whether the case needs escalation or reporting
  - Facilitate a brief discussion on observations made by each group
7. **Outcome:** Participants understand how AML monitoring works in real loan processing environments

## Notes for Facilitation



- Maintain a simple and non-technical tone as participants may be new to AML concepts
- Encourage open discussion without fear of giving wrong answers
- Emphasise confidentiality and ethical responsibility in AML processes
- Clarify that AML compliance is preventive, not accusatory
- Reinforce that accurate reporting protects both employees and the institution

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. b. RBI
2. b. High-risk customers and PEPs
3. b. UIDAI
4. b. Suspicious Transaction Report
5. b. AML compliance

### Descriptive Questions:

1. Refer Unit 3.1: Regulatory Compliance and Due Diligence in Loan Processing  
Topic: 3.1.1 RBI Guidelines and Internal Banking Policies for Compliant Loan Processing
2. Refer Unit 3.1: Regulatory Compliance and Due Diligence in Loan Processing  
Topic: 3.1.2 Importance of KYC and AML Compliance in Preventing Financial Crime and Regulatory Breaches
3. Refer Unit 3.1: Regulatory Compliance and Due Diligence in Loan Processing  
Topic: 3.1.4 Difference Between Standard Due Diligence and Enhanced Due Diligence (EDD) for High-Risk Customers
4. Refer Unit 3.2: AML Compliance and Risk Monitoring in Loan Processing  
Topic: 3.2.1 Customer Screening Against RBI Defaulters' Lists and Global Watchlists for AML Compliance
5. Refer Unit 3.2: AML Compliance and Risk Monitoring in Loan Processing  
Topic: 3.2.4 Preparation of a Compliant Loan Processing Report
6. Refer Unit 3.2: AML Compliance and Risk Monitoring in Loan Processing  
Topic: 3.2.5 Maintenance of Secure, Well-Organized Loan Records



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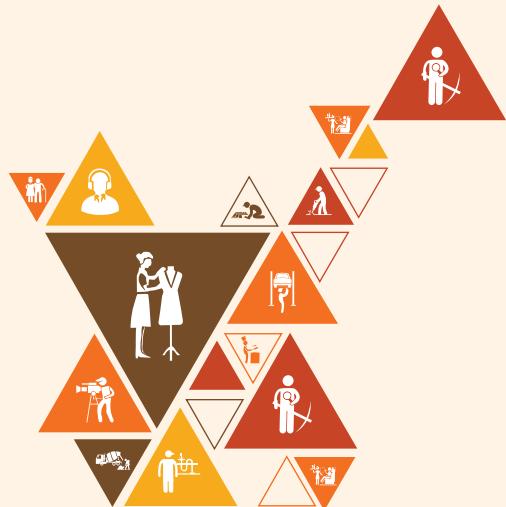
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## 4. Coordinate with Stakeholders for Loan Approval and Disbursement

Unit 4.1 - Loan Processing, Documentation, and Risk Assessment

Unit 4.2 - Loan Application Review, Verification, and Decision-Making Process



BSC/N2315

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Describe the underwriting procedures and their role in loan application approvals.
2. Identify and analyse the required documents for loan applications, including eligibility reports and supporting documents.
3. Discuss the significance of credit bureau reports (CIBIL, Experian) and official government databases (UIDAI, NSDL) in fraud detection.

## Unit 4.1: Loan Processing, Documentation, and Risk Assessment

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Explain the roles and responsibilities of credit officers, risk assessment teams, and financial institutions in loan processing.
2. Describe the documentation required for loan applications, including supporting documents, eligibility reports, and regulatory compliance checklists.
3. Identify and assess risk factors in loan approvals, including discrepancies in documents, financial inconsistencies, and creditworthiness indicators from credit bureaus (CIBIL, Experian) and official databases (UIDAI, NSDL).
4. Explain the property and collateral verification process, including legal reports, valuation assessments, and income validation.
5. Describe underwriting procedures and their role in approving or flagging loan applications.
6. Differentiate between banks, NBFCs, and other financial institutions regarding loan approval, disbursement procedures, and adherence to internal lending policies.

### Resources to be Used



Participant handbook, trainer presentation slides, whiteboard, markers, projector, laptop, sample loan application forms, sample KYC documents, income proof samples, property documents samples, collateral valuation reports, underwriting checklist templates, risk assessment matrix sheets, flip charts, pens, notepads, calculator, role-play cue cards, loan processing flow charts

### Do



- Begin the session by linking loan approval outcomes to correct coordination and documentation practices
- Explain each stakeholder's role clearly using real banking workflow examples
- Use visual aids to show document flow and risk assessment stages
- Encourage participants to relate concepts to loans they have seen or heard about
- Summarize each sub-topic before moving to the next to reinforce understanding

### Say



- Good morning everyone! I'm really excited to walk you through how loan approvals actually happen behind the scenes and how different teams work together to make it possible
- By the end of this session, you'll understand loan documentation, risk assessment, and how coordination with stakeholders ensures smooth approval and disbursement
- This topic is important because even a small mistake in documentation or risk assessment can delay loans, cause losses, or lead to regulatory issues

**Ask**

- Have you or someone in your family ever applied for a loan and faced delays due to missing documents?
- Why do you think banks take time to verify property or income before approving a loan?

**Explain**

- Roles played by credit officers in collecting, checking, and validating loan applications
- Responsibilities of risk assessment teams in identifying financial and operational risks
- Role of financial institutions in policy setting, approval authority, and disbursement control
- Types of documents required for different loan products
- Importance of income proof, identity proof, address proof, and asset documents
- Common documentation errors and their impact on loan approval timelines
- Key risk factors such as credit history, repayment capacity, employment stability, and asset quality
- Process of property and collateral verification
- Purpose of valuation reports and legal checks
- Meaning and importance of underwriting in loan processing
- How underwriting helps approve, reject, or flag applications
- Differences in loan approval and disbursement processes across banks, NBFCs, and other institutions

**Elaborate**

- Credit officers act as the first checkpoint in loan processing and ensure applications are complete, accurate, and compliant with internal policies. They coordinate with customers, internal teams, and external agencies to move the loan forward. Their efficiency directly affects customer experience and approval timelines.
- Risk assessment teams evaluate the borrower's ability and willingness to repay the loan by analyzing income, credit score, liabilities, and stability. They identify potential risks that may lead to defaults or losses. Their assessment helps the institution take informed lending decisions.
- Financial institutions establish lending policies, approval limits, and disbursement norms based on regulatory requirements and risk appetite. They ensure consistency in decision-making across branches. This structured approach reduces financial and operational risk.
- Loan documentation provides legal and financial evidence required to support the loan decision. It includes personal, financial, and asset-related documents. Proper documentation protects both the lender and the borrower.
- Risk factors such as unstable income, high debt obligations, poor credit history, and overvaluation of assets can affect loan approval. Identifying these risks early helps prevent future defaults. A structured risk assessment ensures responsible lending.
- Property and collateral verification ensures that assets offered as security are genuine, legally clear, and correctly valued. This process includes site visits, legal scrutiny, and valuation checks. It safeguards the institution's interest in secured loans.
- Underwriting involves detailed evaluation of borrower information and risk parameters against lending criteria. It plays a critical role in approving, rejecting, or escalating loan applications. Strong underwriting ensures portfolio quality and compliance.

- Different financial institutions follow varied approval and disbursement processes based on their policies and risk appetite. Banks, NBFCs, and housing finance companies may differ in turnaround time and documentation requirements. Understanding these differences helps credit officers coordinate effectively.

## Demonstrate



Show a sample loan application and walk participants through document verification, risk identification, underwriting checklist review, and approval flow

## Activity



1. **Activity Name:** Loan Processing Flow Mapping
2. **Objective:** To help participants understand stakeholder coordination, documentation flow, and risk assessment stages
3. **Type of Activity:** Group
4. **Resources:** Sample loan application form, document checklist, risk assessment sheet, flip chart, markers
5. **Time Duration:** 25–30 minutes
6. **Instructions**
  - Divide participants into small groups
  - Provide each group with a sample loan application and document checklist
  - Ask them to map the step-by-step process from application receipt to disbursement
  - Participants must identify the stakeholder involved at each stage
  - Groups present their flow to the class
7. **Outcome:** Participants clearly understand coordination between credit officers, risk teams, and institutions

## Notes for Facilitation



- Maintain a steady pace and frequently check for understanding
- Encourage participation from quieter learners through open-ended prompts
- Emphasize the importance of accuracy and attention to detail in loan processing
- Clarify how improper documentation increases risk and delays approvals
- Highlight real-world consequences of poor risk assessment on banks and customers

## Unit 4.2: Loan Application Review, Verification, and Decision-Making Process

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Review and analyse sample loan applications to identify missing information, discrepancies, or inconsistencies.
2. Use checklists and regulatory guidelines to verify completeness and compliance of loan documentation.
3. Cross-check financial statements, employment records, and collateral documents to validate borrower details.
4. Perform role-play and group activities simulating communication with credit officers, borrowers, and financial institutions to resolve discrepancies and explain loan terms, EMI schedules, and repayment obligations.
5. Analyse and respond to underwriting queries, assess sample applications, and make recommendations for approval or rejection.
6. Track loan disbursement, identify bottlenecks, and maintain accurate records for follow-ups and compliance.
7. Compare different types of loan agreements, including EMI structures, repayment terms, and sanctioning procedures through the credit committee.

### Resources to be Used

Participant handbook, trainer presentation slides, laptop, projector, whiteboard, markers, sample loan application files, sample income proof documents, bank statements, employment verification letters, collateral documents, property papers, underwriting query formats, sanction letter samples, EMI calculation sheets, loan agreement samples, flip charts, pens, notepads

### Do

- Start the session by explaining how careful review and verification directly impact loan approval quality
- Use real and simple examples to explain document gaps and inconsistencies
- Encourage participants to actively observe details while reviewing sample applications
- Facilitate group discussions to simulate communication during loan processing
- Reinforce decision-making steps by summarizing key learning points regularly

**Say**

- Good morning everyone! I'm excited to work with you today on how loan applications are actually reviewed, verified, and approved in real banking environments
- In this session, I'll help you understand how to review applications, verify documents, respond to underwriting queries, and recommend loan decisions
- This is important because accurate review and clear communication can prevent loan rejections, fraud, and future repayment issues

**Ask**

- Have you ever applied for a loan or helped someone apply and noticed how many documents were checked?
- Why do you think banks double-check income, job details, or property papers before approving a loan?

**Explain**

- Review of loan applications to identify missing information or mismatched details
- Identification of gaps and inconsistencies in personal, financial, and asset data
- Verification of KYC, income, employment, and collateral documents
- Importance of compliance with internal policies and regulatory guidelines
- Cross-checking bank statements with income proofs
- Validation of employment records and continuity of income
- Verification of collateral ownership, valuation, and legal clarity
- Importance of clear communication during loan processing
- Role of role-play and group interaction in understanding stakeholder communication
- Handling underwriting queries raised during application evaluation
- Preparing logical responses and loan approval recommendations
- Understanding loan agreements and their key clauses
- EMI structures and repayment schedules
- Sanctioning procedures followed by financial institutions
- Differences in approval and disbursement practices across institutions

**Elaborate**

- Reviewing loan applications helps identify errors, missing documents, or inconsistencies at an early stage. This process ensures that only complete and accurate applications move forward. It reduces processing delays and improves approval efficiency.
- Verification of loan documentation ensures that submitted documents are genuine, valid, and compliant with policy norms. This protects the financial institution from fraud and regulatory violations. Proper verification builds trust in the lending process.

- Cross-checking financial statements and employment records confirms the borrower's repayment capacity. Matching bank statements with salary slips or business income ensures financial transparency. This step strengthens credit decision-making.
- Collateral verification ensures that assets offered as security are legally owned and correctly valued. It involves checking property papers, valuation reports, and ownership records. This safeguards the lender's financial interest.
- Role-play and group activities help participants understand how communication flows between credit officers, customers, and internal teams. These activities build confidence and clarity in professional interactions. Effective communication reduces misunderstandings and processing errors.
- Underwriting queries are raised to clarify risks, inconsistencies, or missing information in loan applications. Responding accurately to these queries supports informed approval decisions. Clear recommendations help underwriters finalize outcomes efficiently.
- Loan agreements define the legal relationship between borrower and lender. Understanding EMI structures, repayment terms, and sanction procedures ensures transparency and customer awareness. This knowledge helps credit officers guide borrowers correctly.
- Financial institutions differ in their approval authority, turnaround time, and disbursement processes. Understanding these differences helps credit officers coordinate better across banks, NBFCs, and housing finance companies. This improves operational efficiency.

## Demonstrate



Display a sample loan application file and demonstrate identification of gaps, document verification steps, underwriting query review, and final recommendation preparation

## Activity



1. **Activity Name:** Loan Application Review and Verification Exercise
2. **Objective:** To help participants practice reviewing loan applications, verifying documents, and recommending approval decisions
3. **Type of Activity:** Group
4. **Resources:** Sample loan application files, document checklist, underwriting query sheet, flip chart, markers
5. **Time Duration:** 25–30 minutes
6. **Instructions**
  - Divide participants into small groups
  - Provide each group with a sample loan application and document set
  - Ask them to review the application and identify gaps or inconsistencies
  - Participants verify documents and note underwriting queries
  - Groups prepare a simple approval or clarification recommendation
  - Each group presents their findings briefly
7. **Outcome**
  - Participants gain hands-on experience in loan review and verification
  - Improved understanding of decision-making and communication in loan processing

## Notes for Facilitation



- Encourage participation from all learners and maintain a supportive environment
- Use simple language and examples suitable for freshers
- Emphasize accuracy and attention to detail during application review
- Highlight the impact of incorrect verification on loan quality
- Reinforce the importance of clear responses to underwriting queries

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. b. Credit Officers & Risk Assessment Team
2. b. Collateral and property verification
3. b. Borrower creditworthiness
4. a. NBFC
5. b. Approve or flag loan applications

### Descriptive Questions:

1. Refer Unit 4.1: Loan Processing, Documentation, and Risk Assessment  
Topic: 4.1.1 Roles and Responsibilities of Credit Officers, Risk Assessment Teams, and Financial Institutions
2. Refer Unit 4.1: Loan Processing, Documentation, and Risk Assessment  
Topic: 4.1.2 Documentation Required for Loan Applications
3. Refer Unit 4.1: Loan Processing, Documentation, and Risk Assessment  
Topic: 4.1.4 Property and Collateral Verification Process
4. Refer Unit 4.1: Loan Processing, Documentation, and Risk Assessment  
Topic: 4.1.5 Underwriting Procedures and Their Role in Approving or Flagging Loan Applications
5. Refer Unit 4.1: Loan Processing, Documentation, and Risk Assessment  
Topic: 4.1.6 Comparison of Financial Institutions in Loan Approval and Disbursement Processes



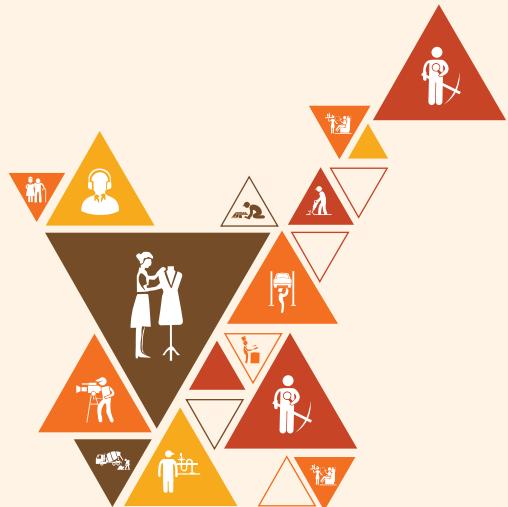
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## 5. Maintain Customer records and Communication

Unit 5.1 - Loan Management Systems and Application Processing

Unit 5.2 - Practical Loan Verification, Customer Interaction, and Disbursement



BSC/N2316

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Explain the functions of Loan Management Systems (LMS) and their role in loan processing.
2. Identify key stakeholders in the loan approval process, such as credit officers, underwriters, and disbursement teams.
3. Differentiate between loan approval, rejection, and pending status and outline guidance steps for rejected applicants.
4. Discuss different methods of notifying applicants about loan status updates, including automated messages, emails, and direct communication.

## Unit 5.1: Loan Management Systems and Application Processing

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the functions of Loan Management Systems (LMS) and banking software in loan processing.
2. Update and maintain loan applications, including data entry, recordkeeping, status tracking, and system logs.
3. Identify key stakeholders in loan processing, such as credit officers, underwriters, and disbursement teams.
4. Track loan application progress, flag pending/incomplete applications, and initiate follow-ups with internal teams or applicants.
5. Analyse common reasons for delays and the importance of timely follow-ups for pending applications.
6. Use LMS and banking software to interpret system updates, maintain accurate records, and ensure audit readiness.

### Resources to be Used

Participant handbook, trainer presentation slides, laptop, projector, whiteboard, markers, sample LMS screenshots, dummy loan application data sheets, data entry templates, system log samples, follow-up tracking sheets, loan status tracking charts, flip charts, pens, notepads

### Do

- Begin the session by explaining how customer records and system updates affect loan approval timelines
- Use simple banking workflow examples to explain LMS functions
- Encourage participants to observe accuracy and consistency in data entry
- Demonstrate how follow-ups are tracked within systems
- Recap key points regularly to reinforce system-related learning

### Say

- Good morning everyone! I'm excited to show you how loan management systems help us track applications and manage customer communication smoothly
- In this session, I'll help you understand how LMS works, how data is entered, and how loan progress is tracked
- This topic is important because accurate records and timely follow-ups prevent delays, errors, and customer dissatisfaction

**Ask**

- Have you ever tracked an online order and checked its status multiple times?
- What happens when details like phone numbers or addresses are entered incorrectly in any system?

**Explain**

- Purpose and importance of loan management systems in banking operations
- Core functions of LMS and banking software
- Data entry requirements for loan applications
- Importance of accurate recordkeeping and documentation storage
- Use of system logs to track updates and changes
- Identification of key stakeholders involved in loan processing
- Role of credit officers, operations teams, and customers in LMS updates
- Tracking loan application progress at different stages
- Managing customer follow-ups through system alerts and reminders
- Common causes of loan processing delays
- Impact of incomplete data and delayed follow-ups
- Importance of timely system updates for faster approvals
- Use of LMS dashboards and reports

**Elaborate**

- Loan management systems act as centralized platforms that store, process, and monitor loan applications. They help institutions maintain consistency and transparency across departments. Proper use of LMS improves efficiency and reduces manual errors.
- Data entry and recordkeeping ensure that customer information, financial details, and documents are accurately captured. Even small errors can cause approval delays or compliance issues. Accurate system records support smooth communication among stakeholders.
- System logs record every update, modification, and access made to a loan file. These logs enhance accountability and help track responsibility. They are also useful during audits and compliance checks.
- Multiple stakeholders such as credit officers, operations teams, risk units, and customers interact within the loan processing ecosystem. Each stakeholder's timely action affects loan progress. Clear system visibility supports better coordination.
- Tracking loan application status helps credit officers identify pending actions and bottlenecks. It ensures that applications move systematically through each stage. Customers also benefit from timely status updates.
- Follow-up management through LMS reminders helps ensure missing documents or clarifications are obtained quickly. Regular follow-ups reduce idle time in processing. This leads to improved turnaround time and customer satisfaction.
- Loan delays often occur due to incomplete documentation, incorrect data entry, or missed follow-ups. Identifying these causes helps institutions take corrective actions. Proactive system usage minimizes such delays.

- LMS and banking software provide dashboards, alerts, and reports that support monitoring and decision-making. Effective usage ensures compliance with internal processes. It also improves operational efficiency.

## Demonstrate



Demonstrate entering a sample loan application into an LMS screen and show how status tracking and follow-up reminders are updated

## Activity



1. **Activity Name:** Loan Status Tracking and Follow-Up Exercise (Topics: Tracking Loan Application Progress and Managing Follow-Ups, Concept of Data Entry and Recordkeeping)
2. **Objective:** To help participants practice tracking loan status and managing follow-ups using system-based records
3. **Type of Activity:** Group
4. **Resources:** Dummy loan application sheets, loan status tracking chart, follow-up checklist, flip chart, markers
5. **Time Duration:** 25–30 minutes
6. **Instructions**
  - Divide participants into small groups
  - Provide each group with dummy loan application data
  - Ask them to record application status at different stages
  - Participants identify pending actions and required follow-ups
  - Groups update a tracking chart and present their process
7. **Outcome:** Participants understand the importance of accurate tracking and timely follow-ups.

## Notes for Facilitation



- Maintain a learner-friendly pace and clarify system terms for freshers
- Encourage questions related to real-life system usage
- Emphasize accuracy and accountability in data entry
- Highlight how delays affect customer trust and satisfaction
- Reinforce the role of LMS in compliance and operational control

## Unit 5.2: Practical Loan Verification, Customer Interaction, and Disbursement

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Review and analyse sample loan applications to identify missing information, discrepancies, or inconsistencies.
2. Use checklists and regulatory guidelines to verify completeness and compliance of loan documentation.
3. Cross-check financial statements, employment records, and collateral documents to validate borrower details.
4. Perform role-play and group activities simulating communication with credit officers, borrowers, and financial institutions to resolve discrepancies and explain loan terms, EMI schedules, and repayment obligations.
5. Analyse and respond to underwriting queries, assess sample applications, and make recommendations for approval or rejection.
6. Track loan disbursement, identify bottlenecks, and maintain accurate records for follow-ups and compliance.
7. Compare different types of loan agreements, including EMI structures, repayment terms, and sanctioning procedures through the credit committee.

### Resources to be Used

Participant handbook, trainer presentation slides, laptop, projector, whiteboard, markers, sample loan application files, document verification checklists, RBI regulatory guideline extracts, sample income proof documents, employment verification letters, bank statements, collateral and property document samples, underwriting query formats, loan agreement samples, disbursement tracking sheets, follow-up registers, flip charts, pens, notepads

### Do

- Start the session by connecting document verification accuracy with successful loan disbursement
- Use real-life banking examples to explain verification and customer communication
- Encourage learners to actively observe details while reviewing sample files
- Facilitate role-play activities to build confidence in professional communication
- Reinforce the importance of maintaining proper records after disbursement

**Say**

- Good morning everyone! I'm excited to take you through the practical side of loan verification, customer interaction, and disbursement today
- By the end of this session, I'll help you understand how to verify loan files, communicate effectively, and track disbursements
- This topic matters because accurate verification and clear communication prevent delays, errors, and customer complaints

**Ask**

- Have you ever been asked to submit the same document again because it was incomplete or unclear?
- Why do you think banks repeatedly confirm income or job details before releasing loan amounts?

**Explain**

- Review of loan applications to understand completeness and accuracy
- Identification of missing documents and inconsistencies in applications
- Use of verification checklists aligned with regulatory guidelines
- Importance of compliance during document verification
- Cross-verification of income proofs with bank statements
- Validation of employment continuity and employer authenticity
- Verification of collateral ownership and supporting documents
- Importance of clear and polite customer communication
- Role of role-play activities in improving interaction skills
- Understanding underwriting queries and their purpose
- Preparing clear responses to underwriting clarifications
- Tracking loan approval and disbursement stages
- Maintaining accurate post-disbursement records
- Understanding different types of loan agreements

**Elaborate**

- Reviewing loan applications helps credit officers identify gaps, inconsistencies, and missing information before further processing. This step reduces unnecessary back-and-forth with customers. Early review improves turnaround time and processing efficiency.
- Verification using checklists and regulatory guidelines ensures that all documents meet internal and regulatory standards. Checklists help maintain consistency across applications. This process minimizes compliance risks and errors.
- Cross-verification of financial, employment, and collateral documents confirms the borrower's repayment capacity and asset legitimacy. Matching documents across sources strengthens credit decisions. It also helps detect misrepresentation or fraud.

- Role-play and group activities allow learners to practice professional communication with customers and internal teams. These activities build confidence and clarity. Effective communication improves customer experience and reduces misunderstandings.
- Underwriting queries are raised to clarify risks or inconsistencies found during evaluation. Responding accurately supports informed approval decisions. Clear recommendations help speed up the approval process.
- Tracking loan disbursement ensures that sanctioned amounts are released correctly and on time. Maintaining proper records supports audits and customer queries. Accurate tracking prevents operational lapses.
- Different types of loan agreements define repayment obligations, security, and legal responsibilities. Understanding these agreements helps credit officers explain terms clearly to customers. This promotes transparency and trust.

## Demonstrate



Demonstrate reviewing a sample loan file, verifying documents using a checklist, responding to an underwriting query, and updating disbursement status

## Activity



1. **Activity Name:** Loan Verification and Communication Practice
2. **(Topics:** Review and Analysis of Sample Loan Applications, Use of Checklists and Regulatory Guidelines, Role-Play for Effective Loan Communication)
3. **Objective:** To help participants practice loan verification, customer communication, and record maintenance
4. **Type of Activity:** Group
5. **Resources:** Sample loan application files, verification checklist, underwriting query sheet, flip chart, markers
6. **Time Duration:** 25–30 minutes
7. **Instructions**
  - Divide participants into small groups
  - Provide each group with a sample loan file and checklist
  - Ask participants to verify documents and identify gaps
  - Conduct a short role-play to communicate missing requirements
  - Groups note underwriting queries and propose responses
  - Each group shares key observations
8. **Outcome:** Participants gain hands-on experience in verification and communication and understand the disbursement of tracking and recordkeeping

## Notes for Facilitation



- Maintain a supportive and interactive learning environment
- Encourage participation from all learners, especially freshers
- Emphasize attention to detail during document verification
- Highlight the impact of poor communication on customer satisfaction
- Reinforce the importance of maintaining accurate post-disbursement records

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1.

### Descriptive Questions:

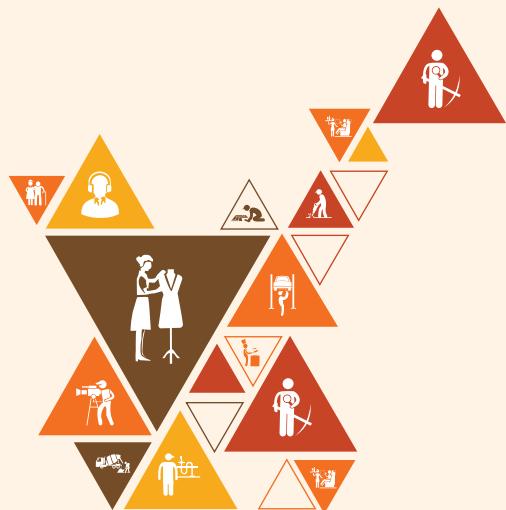


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## 6. Employability Skills



DGT/VSQ/N0102

Employability Skills is available at the following location



<https://www.skillindiadigital.gov.in/content/list>

Employability Skills



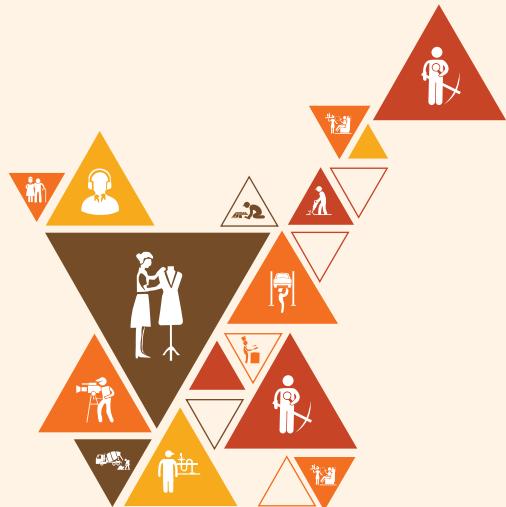
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## 7. Process Home Loan

Unit 7.1 - Property and Credit Risk Assessment in Loan Processing

Unit 7.2 - Practical Credit Appraisal, Risk Assessment &  
LMS Coordination Activities



BSC/N2317

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Explain the importance of property document verification in loan processing to prevent fraud and ensure collateral validity.
2. Differentiate between legal and technical valuation processes in property assessment.
3. Evaluate how discrepancies in valuation reports impact loan approval and risk mitigation strategies.
4. Analyse sample credit reports to assess an applicant's repayment history, defaults, and outstanding liabilities

## Unit 7.1: Property and Credit Risk Assessment in Loan Processing

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain why verifying property documents is critical to ensure clear ownership, legal validity, fraud prevention, and risk-free lending.
2. Discuss essential documents such as sale deeds, title deeds, tax receipts, encumbrance certificates, NOCs, and mortgage documents, and explain the role of legal clearances in minimizing lending risk.
3. Explain Loan-to-Value (LTV) ratio calculation and its role in loan eligibility, and compare different property valuation methods used to determine market worth.
4. Differentiate between legal due diligence and technical valuation processes, and explain how discrepancies in reports impact lending decisions.
5. Identify components of credit bureau reports (CIBIL, Experian) and analyse repayment history, defaults, and liabilities to assess applicant credit risk.
6. Evaluate risks arising from unauthorised constructions, fraudulent ownership claims, financial instability, excessive debt, irregular income, and low credit scores.

### Resources to be Used

Participant handbook, trainer presentation slides, laptop, projector, whiteboard, markers, sample property document sets, sale deed copies, title deed samples, encumbrance certificate samples, approved layout plan copies, property tax receipts, valuation report samples, LTV calculation sheets, credit bureau report samples, CIBIL report extracts, flip charts, pens, notepads

### Do

- Begin the session by linking property verification with safe home loan lending
- Use simple property-related examples familiar to participants
- Explain each document using visual samples
- Reinforce calculations like LTV using step-by-step explanation
- Summarize key risks after each topic discussion

### Say

- Good morning everyone! I'm excited to walk you through how property and credit risk assessment protects both the bank and the borrower in home loans
- By the end of this session, I'll help you understand property documents, valuation methods, and credit risk assessment
- This topic is important because errors in property or credit evaluation can lead to financial loss and legal issues

**Ask**

- Have you ever heard someone say a property loan was delayed due to document issues?
- Why do you think banks do not give loans for the full value of a property?

**Explain**

- Importance of verifying property documents before loan approval
- Risks associated with unclear or invalid property titles
- Types of essential property documents required for home loan
- Role of sale deed and title deed in ownership verification
- Purpose of encumbrance certificates
- Approved building plans and occupancy certificates
- Concept of loan-to-value ratio
- Methods used for property valuation
- Importance of conservative valuation in lending
- Difference between legal due diligence and technical valuation
- Role of legal checks in identifying disputes and ownership issues
- Purpose of technical valuation in assessing construction quality and market value
- Components of a credit bureau report
- Role of credit score in credit risk assessment
- Relationship between credit history and repayment behavior

**Elaborate**

- Verifying property documents ensures that the property offered as security is legally clear and transferable. It helps lenders avoid disputes, fraud, and ownership claims. Proper verification protects the bank's interest in the asset.
- Essential property documents such as sale deeds, title deeds, and encumbrance certificates establish ownership history and legal status. These documents help identify any charges or liabilities on the property. Clear documentation reduces lending risk.
- Loan-to-value ratio determines how much loan can be granted against a property's assessed value. Lower LTV reduces lender risk by maintaining adequate borrower contribution. Proper valuation supports responsible lending decisions.
- Property valuation methods assess the market and technical worth of the property. Valuation helps ensure that the loan amount aligns with the true asset value. Conservative valuation safeguards against market fluctuations.
- Legal due diligence focuses on verifying ownership, title clarity, and legal compliance of the property. Technical valuation evaluates construction quality, structural stability, and market value. Both checks together ensure comprehensive risk assessment.
- Credit bureau reports provide insights into the borrower's credit history, repayment behavior, and existing liabilities. These reports help assess the borrower's willingness and ability to repay. Credit risk assessment supports informed loan decisions.

## Demonstrate



Demonstrate review of a sample property document set and calculation of loan eligibility using LTV ratio and a credit bureau report

## Activity



1. **Activity Name:** Property Document and Credit Risk Review Exercise
2. **(Topics:** Essential Property Documents, LTV Ratio and Property Valuation, Credit Bureau Report Components)
3. **Objective:** To help participants practice identifying key property documents and assessing credit risk
4. **Type of Activity:** Group
5. **Resources:** Sample property document sets, valuation report sample, LTV calculation sheet, credit bureau report copy, flip chart, markers
6. **Time Duration:** 25–30 minutes
7. **Instructions**
  - Divide participants into small groups
  - Provide each group with a sample property document set and credit report
  - Ask participants to identify mandatory property documents
  - Participants calculate approximate loan eligibility using LTV
  - Groups note key credit risk indicators from the credit report
  - Each group shares findings with the class
8. **Outcome:** Participants understand property verification and credit risk assessment steps and able to identify risks in home loan processing

## Notes for Facilitation



- Maintain clarity and avoid legal jargon while explaining property documents
- Encourage questions related to real property and housing examples
- Emphasize accuracy in valuation and LTV calculation
- Highlight how legal and technical checks work together
- Reinforce the role of credit reports in responsible home loan lending

## Unit 7.2: Practical Credit Appraisal, Risk Assessment & LMS Coordination Activities

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Collect and review sample property documents and cross-check ownership details using land registry or municipal records to identify missing or incorrect information.
2. Verify legal clearances through case studies of disputed properties, examine compliance reports, and identify inconsistencies in legal due diligence documentation.
3. Calculate LTV, FOIR, and Debt-to-Income (DTI) ratios using sample valuation reports, loan scenarios, and financial data to assess borrower repayment capacity.
4. Assess financial stability by analysing salary slips, bank statements, IT returns, employment history, and outstanding liabilities through case studies.
5. Perform a comprehensive risk assessment by categorising applications based on credit history, employment stability, valuation discrepancies, and legal findings.
6. Simulate coordination between credit officers and legal teams through role-play, update findings in a Loan Management System (LMS), and prepare risk escalation reports for senior credit officers.

### Resources to be Used



Participant handbook, trainer presentation slides, whiteboard, markers, projector, laptop, sample property documents, ownership records copies, legal clearance samples, checklist formats, LTV FOIR DTI calculation sheets, financial statements samples, application categorisation templates, risk assessment matrix, LMS screenshots, dummy loan files, calculator, flip chart, pens, notepads

### Do



- Introduce the session by linking home loan processing with real workplace responsibilities of a Credit Processing Officer
- Explain each concept step by step using simple language and practical examples from loan processing
- Use visual aids and sample documents while explaining verification and appraisal concepts
- Encourage participants to actively calculate ratios and review documents during the session
- Summarize key risk indicators and escalation points before moving to the activity

**Say**

- Good morning everyone, I'm really excited to work with you today as we move into the practical side of home loan credit appraisal
- In this session, I'll help you understand how to verify property documents, assess borrower risk, and coordinate credit processing activities confidently
- This is important because accurate appraisal and risk assessment protect the bank from losses and help you make sound lending decisions

**Ask**

- Have you ever seen or heard someone submit documents while buying a house or applying for a home loan?
- Why do you think banks check income and property details before approving a large loan?

**Explain**

- Collecting property documents to confirm ownership and legal standing of the asset
- Reviewing sale deed, title deed, and chain of documents for continuity
- Cross-checking ownership details with applicant information
- Verifying legal clearances such as approvals and encumbrance status
- Understanding the role of legal due diligence in loan processing
- Calculating Loan-to-Value ratio to assess exposure against property value
- Using FOIR to understand monthly repayment burden
- Applying DTI ratio to assess overall debt obligation
- Evaluating borrower income stability through financial documents
- Categorizing loan applications based on risk levels
- Identifying red flags during appraisal and documentation review
- Coordinating with internal teams and LMS for document updates
- Escalating risks and discrepancies to seniors or credit managers

**Elaborate**

- Collecting and reviewing property documents ensures the lender confirms legal ownership and avoids disputes related to property title. This process involves examining sale deeds, title deeds, and chain documents carefully. Any mismatch or missing link can significantly increase lending risk. Proper documentation safeguards both the institution and the borrower.
- Legal clearance verification confirms that the property is free from legal issues such as disputes or encumbrances. This includes reviewing approvals, encumbrance certificates, and compliance with local regulations. Legal due diligence reduces future recovery risk. It also ensures regulatory compliance in lending operations.

- LTV FOIR and DTI ratios are critical tools used to assess borrower repayment capacity. These ratios help evaluate whether the borrower can comfortably repay the loan without financial stress. Lower ratios usually indicate lower credit risk. Accurate calculation supports responsible lending decisions.
- Financial stability analysis focuses on income consistency, employment history, and overall financial behavior. Reviewing salary slips, bank statements, and tax returns provides insight into repayment reliability. Case-based financial analysis helps identify potential stress points. This step strengthens the overall appraisal process.
- Application categorization helps classify loans into low medium or high-risk segments. This allows institutions to apply appropriate controls and approval levels. Risk-based categorization improves portfolio quality. It also helps prioritize monitoring and follow-up actions.
- Coordination and documentation through LMS ensures smooth processing and traceability. Timely updating of documents and remarks helps maintain transparency. Escalation of risks ensures early intervention. Effective coordination supports faster and compliant loan disbursement.

## Demonstrate



Show participants how to review a dummy home loan file and calculate LTV FOIR and DTI ratios using provided data and checklist

## Activity



1. **Activity Name:** Credit Appraisal and Risk Assessment Exercise (Topics: LTV FOIR DTI Ratios, Application Categorisation, Documentation Review)
2. **Objective:** To help participants practice basic credit appraisal calculations and identify risk levels in loan applications
3. **Type of Activity:** Group activity
4. **Resources:** Sample loan application, property document copies, financial data sheets, calculator, appraisal checklist
5. **Time Duration:** 25–30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a sample loan application and financial details
  - Ask them to calculate LTV FOIR and DTI ratios
  - Instruct them to categorize the application as low medium or high risk
  - Each group briefly explains their assessment
7. **Outcome:** Participants gain confidence in performing basic credit appraisal and understanding risk classification

## Notes for Facilitation



- Maintain an interactive and supportive environment to encourage participation
- Use simple examples to clarify technical ratios and calculations
- Emphasize accuracy and attention to detail while reviewing documents
- Highlight common errors made during credit appraisal
- Reinforce the importance of timely coordination and escalation in loan processing

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. b. Sale deed
2. c.  $\text{Loan amount} \div \text{property value}$
3. b. Encumbrance certificate
4. c. Multiple loan defaults
5. c. Ownership and encumbrances

### Descriptive Questions:

1. Refer Unit 7.1: Property and Credit Risk Assessment in Loan Processing  
Topic: 7.1.1 Importance of Verifying Property Documents in Lending
2. Refer Unit 7.1: Property and Credit Risk Assessment in Loan Processing  
Topic: 7.1.2 Essential Property Documents and Their Role in Minimizing Lending Risk
3. Refer Unit 7.1: Property and Credit Risk Assessment in Loan Processing  
Topic: 7.1.3 Loan-to-Value (LTV) Ratio and Property Valuation Methods
4. Refer Unit 7.1: Property and Credit Risk Assessment in Loan Processing  
Topic: 7.1.5 Credit Bureau Report Components and Credit Risk Assessment
5. Refer Unit 7.1: Property and Credit Risk Assessment in Loan Processing  
Topic: 7.1.4 Legal Due Diligence vs. Technical Valuation in Lending



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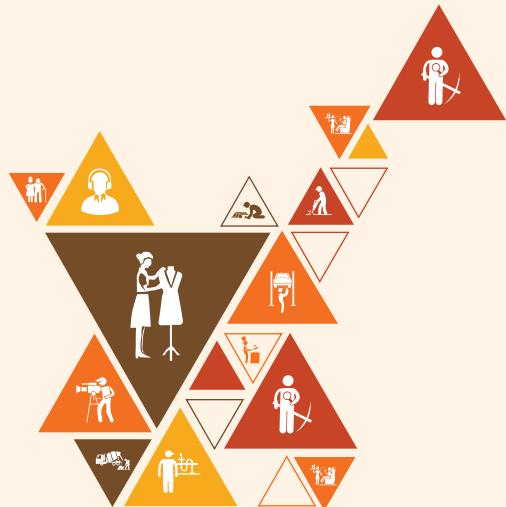


## 8. Process Loan against Property

Unit 8.1 - Property Document Verification & Legal Due Diligence

Unit 8.2 - Property Valuation, Financial Assessment & Credit Analysis

Unit 8.3 - Risk Assessment, Compliance & Loan Processing Simulation



BSC/N2318

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Explain the importance of verifying mortgaged property documents in secured loan processing and its impact on risk mitigation.
2. Describe the significance of property ownership verification through municipal, revenue, and land registry records.
3. Describe secured loan compliance policies and how they influence risk assessment and loan approvals.

## Unit 8.1: Property Document Verification & Legal Due Diligence

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Explain the importance of verifying mortgaged property documents to establish clear ownership, legal validity, and enforceability of security in secured loan processing.
2. Identify and review key property documents such as sale deeds, title deeds, encumbrance certificates, tax receipts, approved plans, and No Objection Certificates (NOCs).
3. Verify property ownership and legal standing by interpreting municipal, revenue, and land registry records.
4. Cross-check ownership and encumbrance status using sample documents, land registry databases, and case studies to identify existing claims, disputes, or undisclosed loans.
5. Analyse legal due diligence reports to detect inconsistencies, missing approvals, or legal and financial encumbrances.
6. Assess risks arising from unauthorised construction, fraudulent ownership claims, missing approvals, or incomplete documentation.
7. Verify mortgage registration requirements and ensure compliance with RBI and internal banking policies.

### Resources to be Used



Participant handbook, whiteboard, marker pens, projector, laptop, printed sample property documents, sample sale deed copies, encumbrance certificate samples, property tax receipt samples, mock legal due diligence reports, checklist formats for property verification, flip charts, sticky notes, pens, notepads, calculator

### Do



- Begin the session by clearly connecting LAP loans with secured lending concepts already familiar to participants
- Use real-life property document examples to explain verification steps and risks
- Encourage participants to refer to the participant handbook while discussing each document
- Pause frequently to check understanding and clarify basic legal terminology
- Reinforce risk identification and escalation responsibility of a Credit Processing Officer

**Say**

- I'm really excited to start today's session because this topic directly connects lending decisions with real-world property risks and legal safety
- In this session, I will help you understand how property documents are verified and how legal due diligence protects the bank in Loan Against Property cases
- This topic is important for you because even one missed detail in property verification can lead to financial loss, legal disputes, or loan rejection

**Ask**

- Have you ever seen or heard about someone checking property papers before buying a house or land?
- Why do you think banks feel safer when a loan is backed by a property?

**Explain**

- Importance of verifying mortgaged property documents to ensure the asset offered as security is legally valid and enforceable
- Role of property document verification in reducing credit risk and preventing future legal disputes
- Identification of key property documents such as sale deed, title deed, encumbrance certificate, property tax receipts, and approved building plans
- Purpose of verifying ownership through official records like land revenue records and municipal documents
- Need for cross-checking ownership details across multiple documents to confirm consistency
- Understanding encumbrance status to identify existing loans, charges, or legal claims on the property
- Importance of legal due diligence reports prepared by empanelled advocates
- Identification of risks arising from unauthorised construction, fake ownership claims, and missing documentation
- Role of a Credit Processing Officer in flagging risks and escalating concerns to legal or risk teams

**Elaborate**

- Verifying mortgaged property documents ensures that the lender has a clear and enforceable right over the property offered as collateral. This process confirms that the borrower legally owns the property and has the authority to mortgage it. Proper verification helps prevent lending against disputed or illegally acquired assets.
- Key property documents such as sale deeds, title deeds, and tax receipts collectively establish ownership continuity and legal standing. Each document serves a different purpose and must be checked together rather than in isolation. Missing or inconsistent documents often indicate higher lending risk.
- Ownership verification through official land and municipal records confirms that the borrower's claim matches government databases. These records help detect fraudulent ownership or outdated information. Cross-verification ensures that the property is legally transferable and mortgageable.

- Checking encumbrance status helps identify whether the property is already pledged, under litigation, or subject to legal restrictions. An encumbrance certificate provides visibility into past and existing financial or legal claims. Ignoring encumbrances can result in multiple lenders claiming the same asset.
- Legal due diligence reports provide a professional legal opinion on the property's title, compliance, and risks. These reports are prepared after examining all documents and applicable local laws. Credit Processing Officers rely on these reports to support credit decisions.
- Unauthorised construction and documentation gaps increase both legal and valuation risk for the lender. Properties without approvals may face demolition or penalties. Identifying these risks early helps protect the institution from losses and regulatory issues.

## Demonstrate



Show participants a sample set of property documents and demonstrate how to cross-check owner names, property details, and encumbrance status using a simple verification checklist

## Activity



1. **Activity Name:** Property Document Verification Checklist Exercise (Topics: Identification and Review of Key Property Documents in Secured Lending, Cross-Checking Ownership and Encumbrance Status in Secured Lending)
2. **Objective:** To help participants understand how multiple property documents are reviewed together to identify risks in LAP loan processing
3. **Type of Activity:** Group activity
4. **Resources:** Printed mock property document sets, verification checklist sheets, pens, flip chart
5. **Time Duration:** 30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a mock set of property documents
  - Ask groups to use the checklist to identify ownership details, missing documents, and potential red flags
  - Each group notes down two key observations and one risk
  - Groups briefly share their findings with the class
7. **Outcome:** Participants gain hands-on understanding of document scrutiny and risk identification in LAP processing

## Notes for Facilitation



- Maintain a simple and practical tone, especially when explaining legal terms to freshers
- Encourage participation without putting pressure on participants to give perfect answers
- Emphasize that document verification is a preventive control, not just a formality
- Highlight common real-world mistakes seen in LAP cases such as ignoring encumbrances
- Reinforce the importance of escalation when documents appear suspicious or incomplete

## Unit 8.2: Property Valuation, Financial Assessment & Credit Analysis

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Compare different property valuation methods and interpret valuation reports to determine fair market value in line with lender policy.
2. Calculate Loan-to-Value (LTV) ratios using sample valuation reports and loan scenarios, and explain their role in loan eligibility decisions.
3. Define and compute Fixed Obligation to Income Ratio (FOIR) and Debt-to-Income (DTI) ratio to assess borrower repayment capacity.
4. Analyse credit bureau reports (CIBIL, Experian) to evaluate applicant creditworthiness, repayment behaviour, and risk indicators.
5. Examine how discrepancies in valuation reports or credit profiles impact risk assessment and lending decisions.

### Resources to be Used

Participant handbook, whiteboard, marker pens, projector, laptop, printed sample valuation reports, property valuation comparison sheets, calculator, FOIR and DTI formula charts, mock income documents, sample bank statements, sample credit bureau reports, flip charts, sticky notes, pens, notepads

### Do

- Start the session by linking property value and borrower income to bank risk
- Use simple numeric examples while explaining LTV, FOIR, and DTI calculations
- Refer participants to sample valuation and credit reports while explaining concepts
- Emphasize cross-verification between valuation, income, and credit data
- Summarize each ratio's impact on approval before moving to the next topic

### Say

- I'm happy to see all of you today because this session will help you think like a credit officer and not just a processor
- In this session, I will help you understand how property value, income strength, and credit history together decide LAP loan eligibility
- This is important for you because incorrect analysis here can lead to high-risk loans and future defaults

**Ask**

- When someone buys a house, do they always accept the price quoted by the seller?
- Why do you think banks check both income and past loan history before approving a loan?

**Explain**

- Meaning and purpose of property valuation in Loan against Property processing
- Different valuation methods such as market value, distress value, and guideline value
- Importance of interpreting valuation reports prepared by empanelled valuers
- Concept of Loan-to-Value ratio and how it limits loan exposure
- Relationship between property value and maximum eligible loan amount
- Meaning of FOIR and its role in assessing monthly repayment capacity
- Meaning of DTI and how it reflects overall debt burden
- Use of income documents and bank statements for repayment assessment
- Purpose of credit bureau reports in evaluating borrower creditworthiness
- Identification of credit score, repayment history, and active liabilities
- Impact of mismatches between valuation reports and borrower credit profile

**Elaborate**

- Property valuation helps the lender understand the realistic market worth of the asset being pledged. Different valuation methods are used to ensure the bank does not lend based on inflated prices. A credit officer must interpret valuation remarks carefully rather than relying only on the final value.
- Loan-to-Value ratio controls the bank's exposure by ensuring borrower contribution in the property. Lower LTV reduces risk and higher LTV increases caution in secured lending. LTV directly affects loan approval, amount, and risk categorization.
- FOIR analysis helps determine whether the borrower has sufficient surplus income after meeting existing obligations. It ensures that loan repayment does not cause financial stress. High FOIR values often lead to reduced loan amounts or rejection.
- DTI ratio reflects the borrower's total debt responsibility compared to income. It gives a broader picture of financial leverage beyond monthly EMIs. High DTI indicates over-borrowing and long-term repayment risk.
- Credit bureau report analysis provides insight into past repayment behavior and credit discipline. Delays, defaults, and high utilization act as red flags even in secured loans. Credit history complements financial and valuation assessment.
- Discrepancies between valuation reports and credit profiles increase risk concerns. High property value with weak credit history may still result in rejection. Balanced alignment between asset value and borrower strength is essential for approval.

## Demonstrate



Show a sample valuation report and demonstrate how to calculate LTV, FOIR, and DTI using basic figures from income and property value

## Activity



- 1. Activity Name:** LTV–FOIR Calculation Practice Exercise
- 2. (Topics:** Calculation of Loan-to-Value Ratios and Their Role in Loan Eligibility, Assessment of Borrower Repayment Capacity Using FOIR and DTI Ratios)
- 3. Objective:** To help participants practice basic financial ratio calculations used in LAP loan eligibility
- 4. Type of Activity:** Individual activity
- 5. Resources:** Calculator, printed practice worksheets, pens, sample income and property value sheets
- 6. Time Duration:** 25 minutes
- 7. Instructions:**
  - Distribute worksheets containing income, obligations, and property values
  - Ask participants to calculate LTV, FOIR, and DTI individually
  - Participants write down whether the loan appears eligible or risky
  - Facilitator reviews answers and explains common mistakes
- 8. Outcome:** Participants gain confidence in calculating and interpreting key credit assessment ratios

## Notes for Facilitation



- Keep calculations simple and repeat steps slowly for freshers
- Encourage questions and reassure participants that mistakes are part of learning
- Highlight that secured loans still carry repayment and credit risk
- Reinforce that ratios must be assessed together and not in isolation
- Emphasize documentation accuracy while using financial and credit data

## Unit 8.3: Risk Assessment, Compliance & Loan Processing Simulation

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Perform end-to-end risk assessment of secured loan applications by identifying red flags in ownership, valuation, legal status, and financial statements.
2. Assess compliance with RBI guidelines and lender policies by verifying sample loan applications against regulatory checklists.
3. Interpret municipal and revenue records to confirm property legitimacy and detect unauthorised modifications or outstanding liabilities.
4. Simulate coordination with legal and technical valuation experts through role-play of site inspections and report reviews.
5. Prepare a consolidated risk assessment report highlighting valuation gaps, legal issues, and compliance deviations.
6. Enter verification findings, risk observations, and compliance status into a simulated Loan Management System (LMS).
7. Handle escalation scenarios involving fraudulent documents or disputed ownership and propose corrective or mitigation measures.
8. Conduct case study analysis of secured loan disputes and recommend resolutions based on due diligence outcomes.

### Resources to be Used

Participant handbook, whiteboard, marker pens, projector, laptop, printed RBI guideline summaries, lender internal policy extracts, sample municipal records, sample revenue records, mock legal opinion formats, mock technical valuation reports, consolidated risk assessment report templates, LMS screenshots or dummy LMS forms, flip charts, sticky notes, pens, notepads

### Do

- Set the context by explaining how all earlier LAP units come together in this session
- Walk participants step by step through the secured loan processing flow
- Use visual aids to show coordination between credit, legal, and technical teams
- Emphasize accuracy and compliance while recording observations in LMS
- Reinforce escalation responsibility when risks or fraud indicators are identified

**Say**

- I'm glad to welcome you to this session because this is where everything you've learned finally comes together
- Today, I will help you understand how to assess risk, ensure compliance, and simulate real loan processing activities
- This is important for you because your role directly protects the institution from fraud, loss, and regulatory penalties

**Ask**

- Have you ever seen an issue being escalated at work or in college when something didn't look right?
- Why do you think banks follow strict rules even when a property looks valuable?

**Explain**

- Meaning of end-to-end risk assessment in secured loan processing
- Identification of financial, legal, technical, and compliance risks
- Importance of RBI guidelines in regulating secured lending practices
- Role of lender-specific credit and risk policies
- Purpose of checking municipal and revenue records for property legitimacy
- Understanding coordination with legal and technical valuation experts
- Need for consolidating multiple risk inputs into one assessment
- Importance of accurate documentation and system recording
- Role of LMS in tracking verification and compliance status
- Identification of red flags requiring escalation
- Importance of learning from past secured loan disputes

**Elaborate**

- End-to-end risk assessment ensures that all aspects of a secured loan are reviewed before approval. It combines property risk, borrower risk, legal risk, and compliance checks. This holistic approach helps reduce future defaults and legal complications.
- Compliance with RBI guidelines ensures that lending practices remain ethical, transparent, and within regulatory limits. Internal lender policies further define acceptable risk levels. Ignoring compliance can result in penalties and reputational damage.
- Municipal and revenue records help verify whether the property exists legally and is approved by local authorities. These records confirm land use, ownership continuity, and tax compliance. Discrepancies here often indicate serious legal risks.
- Coordination with legal and technical valuation experts helps validate document authenticity and construction quality. Credit officers rely on expert opinions to support decision-making. Effective coordination reduces subjectivity in risk assessment.

- A consolidated risk assessment report brings together findings from credit, legal, valuation, and compliance reviews. It provides a clear decision-support document for approvers. Well-prepared reports improve approval efficiency and audit readiness.
- Recording findings in LMS ensures transparency, traceability, and accountability. LMS entries act as official records during audits and disputes. Incomplete or incorrect entries weaken risk controls.
- Escalation of fraudulent documents or disputed ownership protects the institution from irreversible losses. Early escalation allows timely legal intervention. Credit Processing Officers play a critical role in triggering these controls.
- Reviewing past secured loan disputes helps identify common mistakes and improvement areas. Learning from real disputes strengthens risk judgment. It prepares officers to handle similar risks proactively.

## Demonstrate



Demonstrate how to fill a consolidated risk assessment summary and record verification status and remarks in a mock LMS format

## Activity



1. **Activity Name:** Consolidated Risk Recording Exercise
2. **(Topics:** Preparation of Consolidated Risk Assessment Report for Secured Loans, Recording Verification Findings and Compliance Status in LMS)
3. **Objective:** To enable participants to practice compiling risk observations and recording them systematically
4. **Type of Activity:** Group activity
5. **Resources:** Consolidated risk report templates, mock verification notes, dummy LMS recording sheets, pens
6. **Time Duration:** 30 minutes
7. **Instructions:**
  - Divide participants into small groups
  - Provide each group with verification notes from legal, valuation, and credit checks
  - Ask groups to consolidate findings into a single risk assessment summary
  - Groups record key observations and compliance status in the LMS format
  - Facilitator reviews and clarifies correct recording practices
8. **Outcome:** Participants develop practical understanding of risk consolidation, documentation, and system recording

## Notes for Facilitation



- Maintain a supportive environment and encourage participation from all trainees
- Clarify doubts patiently, especially around compliance and escalation concepts
- Emphasize that documentation quality is as important as risk identification
- Reinforce zero tolerance for fraud and document manipulation
- Highlight that escalation is a responsibility, not a failure

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. c. Encumbrance Certificate
2. b. Loan amount and market value of property
3. b. FOI
4. b. Municipal and revenue records
5. c. Highlight risks and compliance gaps

### Descriptive Questions:

1. Refer Unit 8.1: Property Document Verification & Legal Due Diligence  
Topic: 8.1.1 Importance of Verifying Mortgaged Property Documents in Secured Loan Processing
2. Refer Unit 8.2: Property Valuation, Financial Assessment & Credit Analysis  
Topic: 8.2.1 Comparison of Property Valuation Methods and Interpretation of Valuation Reports
3. Refer Unit 8.1: Property Document Verification & Legal Due Diligence  
Topic: 8.1.5 Analysis of Legal Due Diligence Reports for Secured Lending
4. Refer Unit 8.2: Property Valuation, Financial Assessment & Credit Analysis  
Topic: 8.2.3 Assessment of Borrower Repayment Capacity Using FOIR and DTI Ratios
5. Refer Unit 8.3: Risk Assessment, Compliance & Loan Processing Simulation  
Topic: 8.3.6 Recording Verification Findings, Risk Observations, and Compliance Status in LMS





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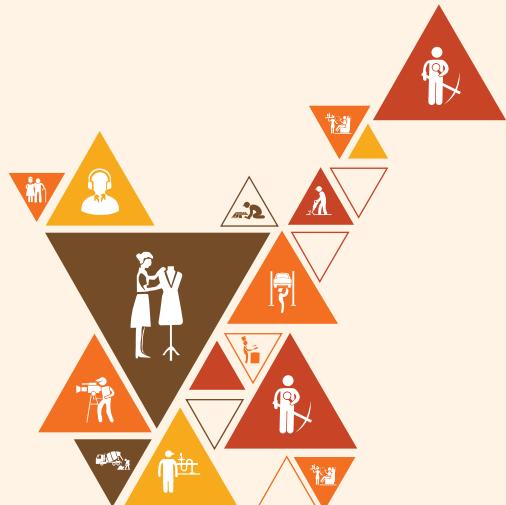


## 9. Process Gold Loan

Unit 9.1 - Gold Loan Assessment, Valuation & Regulatory Compliance

Unit 9.2 - Risk Assessment, Fraud Detection, Secure Storage & Loan Monitoring

Unit 9.3 - Practical Risk Assessment, Monitoring, and Secure Handling of  
Gold Loan Operations



BSC/N2319

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Assess gold purity using industry-approved methods like karat meters, acid tests, and electronic testers.
2. Identify fraud risks by analysing real-world cases of fake gold pledging, identity theft, and multiple loan frauds.
3. Demonstrate secured storage procedures by sealing pledged gold in tamper-proof packets and assigning unique identification numbers.
4. Verify applicant KYC documents (Aadhaar, PAN, Voter ID, etc.) for authenticity and fraud prevention.

## Unit 9.1: Gold Loan Assessment, Valuation & Regulatory Compliance

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Describe the gold loan assessment process, including purity testing, gold valuation based on market rates, loan eligibility determination, and risk analysis.
2. Explain industry-approved gold purity assessment methods such as karat meters, acid tests, electronic gold testers, and physical inspection of ornaments or bullion.
3. Analyse gold purity levels (18K, 22K, 24K) and evaluate their impact on valuation, Loan-to-Value (LTV) ratios, and loan eligibility.
4. Explain the importance of BIS hallmark certification in verifying gold authenticity and conducting additional purity checks when required.
5. Weigh pledged gold accurately using calibrated electronic balances, calculate net gold weight, and document findings for loan processing.
6. Compare gold valuation techniques, considering fluctuating market prices, RBI guidelines, lender-specific policies, and prevailing gold rates.
7. Calculate Loan-to-Value (LTV) ratios using sample gold valuation reports and regulatory norms to determine eligible loan amounts.
8. Explain the significance of maintaining accurate gold loan records, valuation details, customer data, and transaction logs for audit trails and regulatory compliance.
9. Prepare a sample gold loan agreement, including borrower consent, interest rates, repayment terms, and loan closure or auction clauses.

### Resources to be Used

Participant handbook, whiteboard, marker pens, projector, laptop, sample gold ornaments (dummy), digital weighing scale, purity testing kit images or samples, BIS hallmark charts, gold purity reference charts, calculator, sample gold loan application form, sample gold loan agreement copy, valuation worksheets, flip charts, sticky notes, pens, notepads

### Do

- Begin the session by relating gold loans to everyday household gold usage
- Demonstrate each assessment step clearly using visual aids and examples
- Emphasize accuracy while explaining purity, weight, and valuation concepts
- Encourage participants to observe and note each step of gold loan processing
- Summarize regulatory and documentation importance before closing the session

**Say**

- I'm very happy to welcome all of you because today's topic is one of the most practical and commonly used loan products
- In this session, I will help you understand how gold is assessed, valued, and approved for loans in a regulated manner
- This is important for you because even a small mistake in gold valuation or records can lead to financial and compliance risks

**Ask**

- Have you or your family ever pledged gold for a loan or safe keeping?
- Why do you think gold is considered a safe asset by banks and customers?

**Explain**

- Meaning and purpose of gold loan assessment in secured lending
- Step-by-step gold loan assessment process followed by financial institutions
- Industry-approved methods for testing gold purity
- Common gold purity levels such as 18K, 22K, and 24K
- Impact of purity levels on gold value and loan eligibility
- Importance of BIS hallmark certification in verifying gold authenticity
- Procedure for accurately weighing pledged gold
- Gold valuation techniques based on purity, weight, and market price
- Concept of Loan-to-Value ratio in gold loans
- Regulatory importance of maintaining accurate gold loan records
- Role of gold loan agreements in defining borrower and lender responsibilities

**Elaborate**

- Gold loan assessment involves verifying customer identity, assessing pledged gold, and determining eligibility. This process ensures that the asset offered is genuine and acceptable. Proper assessment reduces risk and improves customer trust.
- Gold purity assessment uses industry-approved methods such as hallmark inspection and testing kits. These methods help identify the actual gold content. Accurate purity testing directly affects valuation and loan amount.
- Different purity levels determine the usable gold content in an ornament. Higher purity results in higher valuation and better loan eligibility. Lower purity reduces the loan amount to manage risk.
- BIS hallmark certification provides assurance about gold purity and authenticity. It protects both lender and borrower from fraud. Hallmark verification is a critical regulatory requirement.
- Accurate weighing of pledged gold ensures transparency and fair valuation. Only net gold weight is considered, excluding stones and impurities. Errors in weighing can lead to disputes and losses.

- Gold valuation combines purity, net weight, and prevailing market rates. Institutions apply standardized valuation techniques to ensure consistency. Conservative valuation protects against gold price fluctuations.
- LTV ratio in gold loans controls the maximum loan amount against gold value. Regulatory caps ensure borrower protection and risk control. LTV directly affects approval and disbursement amounts.
- Maintaining accurate gold loan records supports audit, compliance, and customer servicing. Records track custody, valuation, and loan details. Poor documentation can result in regulatory penalties.
- Gold loan agreements define loan terms, repayment obligations, and asset custody. They ensure legal clarity between lender and borrower. Proper execution of agreements prevents future disputes.

## Demonstrate



Demonstrate how gold purity is checked using reference charts and how weight and LTV are calculated using a sample ornament

## Activity



1. **Activity Name:** Gold Valuation and LTV Calculation Exercise
2. **(Topics:** Gold Valuation Techniques in Loan Processing, Calculation of Loan-to-Value Ratio for Gold Loans)
3. **Objective:** To help participants practice basic gold valuation and loan eligibility calculation
4. **Type of Activity:** Individual activity
5. **Resources:** Valuation worksheets, calculator, gold purity charts, pens
6. **Time Duration:** 30 minutes
7. **Instructions:**
  - Distribute worksheets containing gold weight, purity, and market rate
  - Ask participants to calculate net gold value
  - Participants calculate eligible loan amount using LTV
  - Facilitator reviews calculations and clarifies errors
8. **Outcome:** Participants gain confidence in gold loan valuation and eligibility assessment

## Notes for Facilitation



- Use simple language while explaining technical purity and valuation concepts
- Encourage observation and questions during demonstrations
- Emphasize regulatory compliance and customer transparency
- Reinforce accuracy in weighing and record maintenance
- Highlight that gold loan processing demands high trust and responsibility

## Unit 9.2: Risk Assessment, Fraud Detection, Secure Storage & Loan Monitoring

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Evaluate the financial background of applicants by analysing loan history, CIBIL/Experian credit reports, existing liabilities, and repayment behaviour.
2. Verify KYC documents (Aadhaar, PAN, Voter ID, etc.) to ensure customer authenticity and prevent identity-related fraud.
3. Identify and analyse key fraud indicators such as fake gold pledging, multiple pledging of the same gold, forged KYC documents, frequent high-value transactions, and identity theft.
4. Cross-check pledged gold against stolen property databases, internal blacklists, and past fraud records.
5. Examine real-world gold loan fraud cases and propose preventive and mitigation measures.

### Resources to be Used



Participant handbook, whiteboard, marker pens, projector, laptop, sample KYC document copies, KYC checklist formats, fraud indicator reference sheets, images of genuine and fake gold ornaments, stolen property record samples, gold custody register formats, vault storage images or diagrams, incident reporting templates, flip charts, sticky notes, pens, notepads

### Do



- Begin the session by connecting gold loan fraud risks with everyday trust and security concepts
- Explain each risk and fraud indicator using simple, relatable examples
- Emphasize regulatory importance of KYC and cross-verification procedures
- Encourage participants to actively observe fraud red flags during discussions
- Reinforce preventive mindset and escalation responsibility throughout the session

### Say



- I'm really glad to see all of you today because this session focuses on protecting both the institution and the customer
- In this session, I will help you understand how financial background checks, KYC, and fraud detection work in gold loans
- This is important for you because one missed fraud indicator can result in financial loss and legal consequences

**Ask**

- Have you ever been asked to show an ID proof before opening an account or making a big purchase?
- Why do you think banks are extra careful when money or gold is involved?

**Explain**

- Purpose of analysing the financial background of gold loan applicants
- Basic income and repayment capacity checks in gold loan processing
- Importance of verifying KYC documents for identity and address confirmation
- Regulatory requirements related to KYC compliance
- Meaning of fraud risk in gold loan processing
- Common fraud indicators such as fake identity, repeated pledging, and mismatched details
- Need for cross-verification of pledged gold against stolen property records
- Role of internal and external databases in fraud prevention
- Learning from past gold loan fraud cases
- Preventive and mitigation measures to reduce fraud risk
- Importance of secure storage and custody controls in gold loans
- Ongoing monitoring responsibilities after loan disbursement

**Elaborate**

- Financial background analysis helps assess whether the borrower has the ability and intent to repay the gold loan. Even though gold loans are secured, borrower behavior still matters. Weak financial background can increase default risk.
- KYC verification confirms the true identity and address of the borrower. Proper KYC prevents impersonation, money laundering, and misuse of financial services. Incomplete KYC increases regulatory and fraud risk.
- Fraud indicators in gold loans include fake or borrowed gold, forged identity documents, and unusual borrowing patterns. Early identification of these signs helps prevent losses. Credit Processing Officers must stay alert during every step.
- Cross-verification of pledged gold against stolen property records helps ensure the gold is not linked to theft or illegal activities. This step protects the institution from legal claims. It also supports ethical lending practices.
- Studying past gold loan fraud cases highlights common gaps in verification and custody. These cases help institutions strengthen controls. Preventive measures reduce repeat fraud incidents.

**Demonstrate**

Demonstrate how to verify KYC documents using a checklist and identify basic fraud indicators from sample documents

## Activity



1. **Activity Name:** KYC and Fraud Indicator Identification Exercise
2. **(Topics:** Importance of Verifying KYC Documents, Identification and Analysis of Key Fraud Indicators in Loan Processing)
3. **Objective:** To help participants recognize correct KYC documentation and identify basic fraud red flags
4. **Type of Activity:** Group activity
5. **Resources:** Sample KYC document sets, fraud indicator checklists, pens
6. **Time Duration:** 25 minutes
7. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a mixed set of sample KYC documents
  - Ask groups to identify valid documents and possible red flags
  - Groups note down observations using the checklist
  - Facilitator discusses findings and clarifies correct practices
8. **Outcome:** Participants develop awareness of KYC accuracy and fraud risk indicators in gold loan processing

## Notes for Facilitation



- Create a safe learning environment where participants can discuss doubts openly
- Reinforce that vigilance and documentation go hand in hand
- Emphasize zero tolerance for KYC lapses and fraud
- Highlight importance of secure custody and proper record maintenance
- Stress timely escalation when fraud indicators are observed

## Unit 9.3: Practical Risk Assessment, Monitoring, and Secure Handling of Gold Loan Operations

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Perform risk assessment of gold loan applications by reviewing credit history, fraud indicators, valuation inconsistencies, and customer behaviour through case studies.
2. Monitor gold loan transactions in a simulated banking or Loan Management System (LMS) and flag suspicious or high-risk activities.
3. Record detailed gold item information purity, weight, valuation, identification numbers—accurately in the LMS.
4. Explain and demonstrate secured storage procedures, including sealing pledged gold in tamper-proof packets and assigning unique IDs.
5. Describe and simulate dual-authentication procedures and multi-step verification for accessing pledged gold in secure vaults.
6. Interpret gold loan repayment schedules, track repayment status, identify overdue loans, and simulate follow-up actions or auction initiation as per policy.

### Resources to be Used



Participant handbook, whiteboard, marker pens, projector, laptop, mock gold loan application forms, simulated LMS screenshots or dummy LMS access, sample gold item tagging formats, secure storage procedure charts, dual-authentication flow diagrams, vault access register samples, repayment schedule charts, recovery tracking sheets, flip charts, sticky notes, pens, notepads

### Do



- Set expectations by explaining that this session mirrors real gold loan operation
- Guide participants step by step through risk assessment and system recording
- Use simulated tools to demonstrate monitoring and secure handling procedures
- Reinforce discipline in documentation and access control
- Summarize operational responsibilities and accountability at the end

### Say



- I'm very excited to begin this session because this is where theory turns into real operational practice
- In this session, I will help you understand how gold loan risks are assessed, recorded, monitored, and securely handled
- This is important for you because your accuracy and discipline directly protect valuable assets and institutional trust

**Ask**

- Have you ever seen valuables kept in lockers or under strict security at home or work?
- Why do you think access to valuables is always limited to specific people?

**Explain**

- Purpose of practical risk assessment in gold loan applications
- Use of case-based analysis to identify operational risks
- Role of simulated banking or LMS platforms in gold loan processing
- Importance of accurate recording of gold item details
- Key details such as weight, purity, identification marks, and tagging
- Secure storage procedures followed for pledged gold
- Importance of vault controls and custody management
- Role of dual-authentication and multi-step verification
- Monitoring of gold loan repayment schedules
- Identification of overdue accounts and recovery triggers
- Importance of timely recovery actions and follow-ups

**Elaborate**

- Risk assessment through practical analysis helps identify gaps that may not appear in documents alone. Reviewing multiple data points improves judgment. This process strengthens approval quality and reduces losses.
- Simulated banking or LMS platforms allow trainees to practice gold loan transactions safely. These simulations reflect real operational steps. Familiarity with systems improves efficiency and accuracy.
- Accurate recording of gold item details ensures traceability and accountability. Each pledged item must be identifiable and matched with system records. Errors here can lead to disputes or losses.
- Secured storage procedures protect pledged gold from theft, tampering, and misplacement. Proper tagging, sealing, and vault storage are mandatory. Strong custody controls build customer confidence.
- Dual-authentication and multi-step verification reduce internal fraud risk. No single individual should access pledged gold alone. This system ensures checks and balances.
- Monitoring repayment schedules helps identify early warning signs of default. Timely reminders and recovery actions improve collection efficiency. Continuous monitoring supports portfolio health.

**Demonstrate**

Demonstrate how to record gold item details in a simulated LMS and show a basic vault access control flow

## Activity



1. **Activity Name:** Gold Loan Recording and Monitoring Practice
2. **(Topics:** Accurate Recording of Gold Item Details in the Loan Management System, Interpretation and Monitoring of Gold Loan Repayment Schedules)
3. **Objective:** To enable participants to practice system-based recording and basic monitoring of gold loans
4. **Type of Activity:** Individual activity
5. **Resources:** Dummy LMS forms, gold item detail sheets, repayment tracking worksheets, pens
6. **Time Duration:** 30 minutes
7. **Instructions:**
  - Provide participants with sample gold loan data
  - Ask them to record gold item details accurately in the LMS format
  - Participants review a repayment schedule and mark follow-up dates
  - Facilitator checks entries and clarifies common mistakes
8. **Outcome:** Participants gain hands-on confidence in recording, monitoring, and secure handling of gold loan operations

## Notes for Facilitation



- Encourage participants to focus on accuracy rather than speed
- Create a practice-friendly environment where errors are corrected constructively
- Emphasize strict adherence to secure storage and access protocols
- Reinforce that monitoring is an ongoing responsibility, not a one-time task
- Highlight accountability and audit importance in gold loan operations

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. b. Gold purity and market value
2. d. 24K
3. c. Gold purity and authenticity
4. c. Multiple pledging of the same gold
5. c. Enhanced security and fraud prevention

### Descriptive Questions:

1. Refer Unit 9.1: Gold Loan Assessment, Valuation & Regulatory Compliance  
Topic: 9.1.1 Gold Loan Assessment Process
2. Refer Unit 9.1: Gold Loan Assessment, Valuation & Regulatory Compliance  
Topic: 9.1.4 Importance of BIS Hallmark Certification in Gold Verification
3. Refer Unit 9.1: Gold Loan Assessment, Valuation & Regulatory Compliance  
Topic: 9.1.7 Calculation of Loan-to-Value (LTV) Ratio for Gold Loans
4. Refer Unit 9.2: Risk Assessment, Fraud Detection, Secure Storage & Loan Monitoring  
Topic: 9.2.3 Identification and Analysis of Key Fraud Indicators in Loan Processing
5. Refer Unit 9.3: Practical Risk Assessment, Monitoring, and Secure Handling of Gold Loan Operations  
Topic: 9.3.3 Accurate Recording of Gold Item Details in the Loan Management System (LMS)



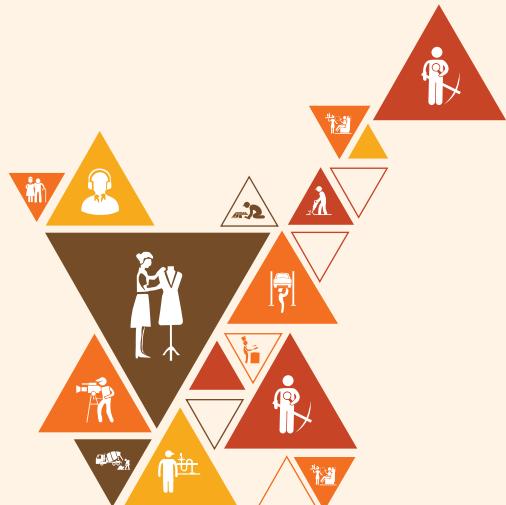
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## 10. Process Personal & Student Loan

Unit 10.1 - Income, Creditworthiness & Risk Assessment

Unit 10.2 - Co-Borrower, Guarantor, Education Loan Verification & LMS Handling



BSC/N2320

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Assess income proof documents (salary slips, bank statements, Form 16, ITRs, business financials) to determine an applicant's financial stability.
2. Verify KYC compliance (Aadhaar, PAN, voter ID) and financial stability of co-borrowers and guarantors.
3. Detect fraudulent financial details by reviewing falsified salary slips, tax returns, and fabricated employment records.
4. Track loan approval status and disbursement schedules within the LMS

## Unit 10.1: Income, Creditworthiness & Risk Assessment

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Evaluate income proofs and financial documents
2. Assess salary slips, bank statements, Form 16, ITRs, business financials, and alternative income sources (rental, freelance, investments) to determine income stability and loan eligibility.
3. Verify employment stability and continuity
4. Analyse credit bureau reports for creditworthiness
5. Identify key risk indicators in loan applications
6. Calculate repayment capacity using financial ratios
7. Simulate loan eligibility assessment

### Resources to be Used



Participant handbook, whiteboard, marker pens, projector, laptop, sample salary slips, sample bank statements, sample ITR copies, sample employment letters, income calculation worksheets, FOIR and DTI formula charts, calculator, sample credit bureau reports, eligibility assessment sheets, simulated loan eligibility format, flip charts, sticky notes, pens, notepads

### Do



- Start the session by clearly differentiating unsecured loans from secured loans
- Explain each income and credit assessment step using simple examples
- Refer participants to sample documents while explaining verification points
- Reinforce how multiple factors together decide eligibility and risk
- Summarize common rejection reasons before moving to simulation

### Say



- I'm very happy to welcome you all because today's topic directly connects to how banks decide whether to trust a borrower
- In this session, I will help you understand how income, job stability, and credit history are assessed for personal and student loans
- This is important for you because even small errors in assessment can lead to defaults and financial losses

**Ask**

- When someone applies for a job or rental house, what details do they usually have to prove?
- Why do you think lenders want to know about both income and past repayment behaviour?

**Explain**

- Meaning and importance of income assessment in personal and student loans
- Types of income proofs used for salaried and self-employed applicants
- Purpose of analysing bank statements and tax documents
- Assessment of income sources to check consistency and stability
- Verification of employment continuity and job stability
- Role of employer details and work experience
- Purpose of credit bureau reports in unsecured lending
- Understanding credit score, repayment history, and active liabilities
- Identification of key risk indicators such as frequent job changes or delays
- Calculation of repayment capacity using financial ratios
- Importance of combining income, credit, and risk indicators
- Simulation of loan eligibility assessment for decision-making

**Elaborate**

- Income proof evaluation ensures that the borrower has sufficient and regular earnings to repay the loan. Salary slips, bank credits, and tax returns are reviewed together. Inconsistencies across documents often indicate higher risk.
- Assessing income sources helps determine whether earnings are stable or temporary. Fixed income is treated differently from variable income. Stable income sources improve loan eligibility and confidence.
- Employment stability verification confirms continuity of income over time. Frequent job changes or probation periods increase risk. Lenders prefer applicants with stable employment history.
- Credit bureau reports provide insight into past repayment behavior and credit discipline. Low scores, delays, and write-offs act as red flags. Credit history plays a major role in unsecured loan approvals.
- Key risk indicators help identify applicants who may default in the future. These include high existing obligations, unstable income, and poor credit behavior. Early identification supports safer lending decisions.
- Financial ratios such as FOIR and DTI assess how much income is already committed to debt. They help determine affordable EMI levels. Proper ratio analysis prevents over-lending.
- Loan eligibility simulation allows credit officers to combine income, credit, and risk factors. This practice improves decision accuracy. Simulations prepare officers for real-life processing scenarios.

## Demonstrate



Demonstrate how to calculate repayment capacity using income details and FOIR on a sample eligibility sheet

## Activity



1. **Activity Name:** Loan Eligibility Calculation Practice
2. **(Topics:** Calculation of Repayment Capacity Using Financial Ratios, Simulation Loan Eligibility Assessment)
3. **Objective:** To help participants practice basic income analysis and eligibility calculation
4. **Type of Activity:** Individual activity
5. **Resources:** Eligibility worksheets, calculator, sample income and obligation sheets, pens
6. **Time Duration:** 30 minutes
7. **Instructions:**
  - Distribute worksheets containing income, expenses, and existing EMIs
  - Ask participants to calculate FOIR and eligible EMI
  - Participants decide whether the loan appears eligible or risky
  - Facilitator reviews answers and explains common errors
8. **Outcome:** Participants gain confidence in assessing income, creditworthiness, and loan eligibility

## Notes for Facilitation



- Encourage questions and reassure participants when dealing with numbers
- Keep explanations slow and practical for freshers
- Emphasize that unsecured loans rely heavily on correct assessment
- Reinforce that no single document decides eligibility
- Highlight importance of consistency across income and credit data

## Unit 10.2: Co-Borrower, Guarantor, Education Loan Verification & LMS Handling

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Assess eligibility and financial responsibility of co-borrowers and guarantors
2. Validate relationship and policy compliance
3. Verify education loan documents and institute authenticity
4. Identify fraud indicators in education and co-borrower documents
5. Communicate and coordinate for verification
6. Use Loan Management System (LMS) for tracking and reporting

### Resources to be Used



Participant handbook, whiteboard, marker pens, projector, laptop, sample co-borrower income documents, sample guarantor financial statements, relationship proof samples, education loan document copies, fraud indicator checklist, LMS screenshots or dummy LMS forms, verification coordination flow charts, flip charts, sticky notes, pens, notepads

### Do



- Begin by explaining the role of co-borrowers and guarantors in reducing loan risk
- Use simple examples to explain eligibility and responsibility sharing
- Emphasize policy compliance and relationship validation
- Demonstrate LMS usage while explaining tracking and reporting
- Reinforce vigilance for fraud indicators throughout the session

### Say



- I'm very happy to welcome you all because today's topic focuses on shared responsibility and verification accuracy
- In this session, I will help you understand how co-borrowers, guarantors, and education loan documents are verified and tracked
- This is important for you because incorrect verification or poor LMS handling can lead to defaults and compliance issues

**Ask**

- When someone applies for a loan, why do you think banks sometimes ask for a co-borrower or guarantor?
- Have you seen situations where family members support each other financially?

**Explain**

- Meaning and role of co-borrowers and guarantors in loan processing
- Assessment of eligibility and financial responsibility of co-borrowers
- Importance of verifying guarantor income and obligations
- Validation of relationship between borrower, co-borrower, and guarantor
- Policy requirements related to acceptable relationships
- Identification of fraud indicators in education and co-borrower documents
- Importance of cross-checking academic and admission-related document
- Need for clear communication and coordination during verification
- Role of internal and external teams in verification
- Use of Loan Management System for recording and tracking verification
- Importance of accurate LMS entries for reporting and audits

**Elaborate**

- Co-borrower and guarantor assessment ensures that additional responsible parties can support loan repayment. Their income, liabilities, and credit behavior are evaluated carefully. This shared responsibility reduces lender risk.
- Relationship validation confirms that the declared relationship aligns with policy and documentation. Genuine relationships strengthen loan credibility. Incorrect or false relationships increase fraud risk.
- Fraud indicators in education loans include fake admission letters, forged fee receipts, and inconsistent institute details. Early identification prevents misuse of funds. Vigilance protects both lender and borrower.
- Effective communication and coordination ensure timely and accurate verification. Information gaps often delay approvals or cause errors. Proper coordination improves processing efficiency.
- LMS usage supports systematic tracking of verification steps and outcomes. Accurate data entry ensures transparency and audit readiness. LMS acts as a central control tool in loan operations.

**Demonstrate**

Demonstrate how to record co-borrower and guarantor details and verification status in a simulated LMS format

## Activity



1. **Activity Name:** Co-Borrower and Guarantor Verification Practice
2. **(Topics:** Assessment of Eligibility and Financial Responsibility of Co-Borrowers and Guarantors, Use of Loan Management System for Tracking and Reporting)
3. **Objective:** To help participants practice verification and LMS recording of co-borrower and guarantor details
4. **Type of Activity:** Group activity
5. **Resources:** Sample co-borrower and guarantor document sets, LMS entry sheets, pens
6. **Time Duration:** 30 minutes
7. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a set of co-borrower and guarantor documents
  - Ask groups to identify eligibility details and possible red flags
  - Groups record findings in the LMS format
  - Facilitator reviews entries and clarifies correct practices
8. **Outcome:** Participants gain practical understanding of co-borrower assessment and LMS handling

## Notes for Facilitation



- Encourage participation and clarify doubts patiently
- Use relatable examples for relationship and responsibility concepts
- Emphasize policy compliance over assumptions
- Reinforce fraud awareness in education loan documents
- Highlight importance of accurate LMS recording for audits and monitoring

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. b. Rental income
2. b. Assess loan eligibility
3. c. Institute verification certificate
4. b. Calculate repayment capacity
5. b. Validate financial responsibility

### Descriptive Questions:

1. Refer Unit 10.1: Income, Creditworthiness & Risk Assessment  
Topic: 10.1.1 Evaluation of Income Proofs and Financial Documents
2. Refer Unit 10.1: Income, Creditworthiness & Risk Assessment  
Topic: 10.1.4 Credit Bureau Reports for Creditworthiness Analysis
3. Refer Unit 10.2: Co-Borrower, Guarantor, Education Loan Verification & LMS Handling  
Topic: 10.2.2 Validation of Relationship and Policy Compliance
4. Refer Unit 10.1: Income, Creditworthiness & Risk Assessment  
Topic: 10.1.6 Calculation of Repayment Capacity Using Financial Ratios
5. Refer Unit 10.2: Co-Borrower, Guarantor, Education Loan Verification & LMS Handling  
Topic: 10.2.6 Use of Loan Management System (LMS) for Tracking and Reporting





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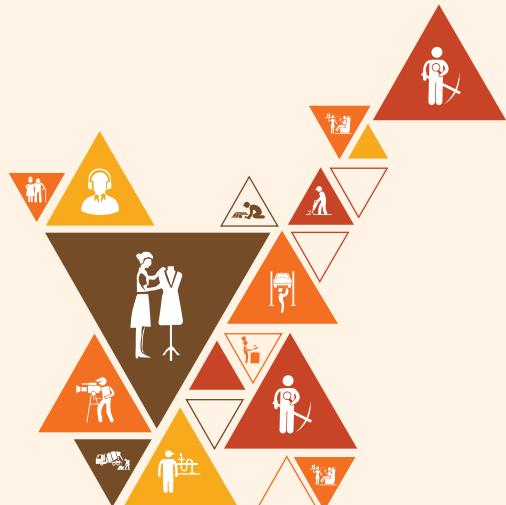


# 11. Process Secured and Unsecured Asset-Backed Loans

Unit 11.1 - Documentation and Eligibility Assessment for Secured Loans

Unit 11.2 - Loan-to-Value (LTV) Ratios, Risk, and Security Management

Unit 11.3 - Loan Processing, Monitoring, and Compliance



BSC/N2321

## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Explain the required documents for processing different types of secured loans, including vehicle loans, loans against securities, fixed deposits, and insurance policies.
2. Evaluate regulatory compliance requirements as per RBI, SEBI, and IRDAI guidelines to ensure proper risk assessment in secured lending.
3. Calculate the LTV ratio for different types of loans using real-life case studies.

## Unit 11.1: Documentation and Eligibility Assessment for Secured Loans

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Identify and verify key documents for various secured loans.
2. Verify applicant eligibility, including income proofs, employment stability, credit history, and repayment capacity for all loan types.
3. Ensure KYC compliance by reviewing PAN, Aadhaar, and proof of ownership documents.
4. Monitor employment continuity, income stability, and alternative income sources to assess repayment capacity.

### Resources to be Used



Participant handbook, facilitator guide, whiteboard, marker pens, projector, laptop, PPT slides on secured loans, sample secured loan application forms, sample KYC documents, sample income documents, employment proof samples, eligibility checklist templates, loan policy manual, calculator, LMS demo access, notepads, pens

### Do



- Begin the session by linking secured loans to familiar examples like vehicle loans or property-backed loans
- Explain each document type slowly using real-looking samples and encourage participants to observe details
- Emphasize compliance and accuracy while explaining eligibility and KYC requirements
- Use practical examples while explaining income stability and alternative income sources
- Summarize key learning points at the end and connect them to real job responsibilities

### Say



- Good morning everyone, I'm really excited to start today's session because this topic is a core responsibility of a Credit Processing Officer
- In this session, I will help you understand how to check documents, assess eligibility, and verify income for secured loans accurately
- This topic is important because even a small mistake in document or eligibility verification can lead to financial loss or regulatory issues for the bank

**Ask**

- When you apply for something important like a mobile connection or rental house, what documents are usually asked from you?
- Why do you think a bank would want to know whether someone has a stable job before giving a loan?

**Explain**

- Secured loans require specific documents related to identity, income, employment, and the asset being pledged
- Different secured loans such as vehicle loans, LAP, or asset-backed loans may have varying documentation requirements
- Applicant eligibility is assessed based on age, income, employment type, repayment capacity, and credit profile
- KYC compliance ensures the identity of the applicant and helps prevent fraud and money laundering
- Employment continuity is checked to assess income reliability and repayment stability
- Income stability is evaluated using salary slips, bank statements, and tax documents
- Alternative income sources such as rental income or business income support eligibility when primary income is insufficient
- Proper verification reduces loan default risk and ensures regulatory adherence

**Elaborate**

- Identification and verification of key documents ensures that the applicant's identity, address, income, and pledged asset details are genuine, complete, and accurate. It establishes the foundation of the loan processing workflow. Proper verification ensures the lender is dealing with the correct individual. This step minimizes the chances of identity-related discrepancies later.
- This process helps prevent fraud, impersonation, and submission of forged or manipulated documents. Fraudulent applications can cause financial losses and reputational damage to lenders. Early detection reduces operational and legal risks. Strong verification safeguards the overall loan portfolio quality.
- All documents must be checked for validity, expiry dates, and completeness as per policy guidelines. Expired or incomplete documents are not legally acceptable for loan approval. Verification may involve physical inspection or digital authentication tools. This ensures compliance with internal and regulatory standards.
- Consistency across multiple documents is carefully examined to identify mismatches. Differences in names, addresses, income figures, or asset details are red flags. Such inconsistencies may indicate errors or intentional misrepresentation. Resolving them early avoids delays and disputes later.
- Proper document verification supports regulatory compliance and audit requirements. Regulators require clear documentation trails for every approved loan. Verified records help institutions pass audits smoothly. This also strengthens transparency and accountability.
- Accurate documentation strengthens the legal enforceability of loan agreements. In case of default, verified documents support legal recovery proceedings. Weak documentation can reduce recovery chances. Strong records protect the lender's legal rights.
- Errors or gaps during document verification can lead to loan rejection or future recovery issues. Incorrect approvals increase the risk of non-performing assets. Rectifying mistakes later is time-consuming and costly. Therefore, thorough verification is critical at the initial stage.

## Demonstrate



Show how to verify a secured loan application by checking a sample application form along with KYC documents, income proofs, and employment details step by step

## Activity



1. **Activity Name:** Document Identification and Eligibility Mapping
2. **Objective:** To help participants understand secured loan documentation and eligibility assessment
3. **Type of Activity:** Group activity
4. **Resources:** Sample loan application forms, sample KYC documents, income proof samples, eligibility checklist, pens, notepads
5. **Time Duration:** 30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a set of sample documents
  - Ask them to identify required documents for a secured loan
  - Instruct them to check eligibility factors using the checklist
  - Each group lists missing or incorrect documents
  - Groups share their findings with the class
7. **Outcome:** Participants will be able to correctly identify documents, assess eligibility, and understand the importance of accurate verification in secured loan processing

## Notes for Facilitation



- Encourage participation and ensure all learners get a chance to speak
- Maintain a supportive environment where questions are welcomed
- Highlight common document errors seen in real loan processing
- Emphasize the importance of compliance and accuracy at every stage
- Relate concepts to real banking operations and daily job tasks

## Unit 11.2: Loan-to-Value (LTV) Ratios, Risk, and Security Management

### Unit Objectives



By the end of this unit, the participants will be able to:

1. By the end of this unit, the participants will be able to:
2. Define LTV ratio and calculate it for vehicles, securities, fixed deposits, and insurance policies to determine maximum loan eligibility.
3. Assess risks associated with pledged assets: price fluctuations, margin calls for securities, premature withdrawals for FDs, and policy lapses.
4. Implement lien marking on FDs and insurance policies to secure loans.
5. Evaluate market trends and financial health of applicants to identify high-risk loans.

### Resources to be Used



Participant handbook, facilitator guide, whiteboard, marker pens, projector, laptop, PPT slides on LTV and risk assessment, calculator, sample secured loan application forms, sample asset valuation reports, FD receipts, insurance policy copies, lien marking request forms, market trend reports, financial newspapers, LMS demo access, notepads, pens

### Do



- Begin the session by connecting LTV and risk concepts to everyday borrowing examples
- Explain calculations step by step using simple numbers before moving to real loan values
- Use visual aids to show how asset value changes impact loan exposure
- Reinforce the importance of lien marking and security controls in protecting lender interest
- Recap risk management concepts and relate them to credit decision-making

### Say



- Good morning everyone, I'm glad to see you all ready because today's topic is one of the most practical parts of loan processing
- In this session, I will help you understand how LTV ratios, asset risk, and security controls influence loan approval and safety
- This is important for you because managing risk properly protects the institution from losses and strengthens your role as a Credit Processing Officer

**Ask**

- If you lend money to a friend against their bike or phone, how would you decide how much to lend?
- Why do you think banks are careful when asset prices fluctuate in the market?

**Explain**

- Loan-to-Value ratio represents the proportion of loan amount against the value of the pledged asset
- LTV varies across different secured loan products depending on asset type and risk profile
- Higher LTV increases credit risk and requires stricter approval or mitigation measures
- Asset risk assessment involves evaluating liquidity, depreciation, and market volatility
- Proper valuation helps determine realistic recoverable value of the asset
- Lien marking legally secures the lender's right over FDs and insurance policies
- Lien ensures the borrower cannot withdraw or misuse pledged financial assets
- Market trends impact asset value and borrower repayment capacity
- Financial health indicators support proactive risk monitoring

**Elaborate**

- The Loan-to-Value (LTV) ratio is a crucial metric that determines the maximum loan amount that can be sanctioned against an asset. It represents the ratio of the loan requested to the current market value of the asset offered as security. This ratio is essential because it balances the borrower's financing needs with the lender's risk exposure. A carefully calculated LTV ensures that the bank or financial institution is not overexposed in case of default.
- A lower LTV ratio provides higher security to the lender as the asset value significantly exceeds the loan amount. This reduces potential losses in case the borrower defaults. Conversely, a higher LTV increases the lender's exposure because the asset value is closer to the sanctioned loan amount. Credit officers must strictly adhere to product-specific LTV limits to maintain a healthy risk profile for the institution.
- Assessing the risk associated with pledged assets is another critical step. This involves evaluating how easily the asset can be converted into cash without significant loss of value. Assets prone to high depreciation, price volatility, or low resale demand are considered higher risk. Proper physical inspection and valuation by qualified personnel are necessary to minimize uncertainty and ensure accurate risk assessment.
- The risk profile of the pledged asset directly influences loan terms, including interest rates, tenure, and sanction amount. High-risk assets may attract stricter terms, such as lower loan amounts or higher collateral requirements. Conversely, assets with stable and predictable value may allow more favorable terms for borrowers. This ensures that the bank mitigates potential losses while meeting customer needs.
- Lien marking is a legal procedure that gives the lender control over pledged financial instruments, such as fixed deposits and insurance policies. It prevents borrowers from prematurely withdrawing funds or misusing the pledged instrument. Accurate lien marking protects the lender's interest and ensures the asset remains available to recover the loan in case of default.

- It is essential that all lien markings are accurately recorded in the bank's or institution's systems. Any lapse in documentation can weaken the enforceability of security. Credit officers must ensure proper follow-up and periodic verification to confirm that lien marks remain valid throughout the loan tenure, safeguarding both the loan and institutional compliance requirements.
- Credit officers must also evaluate market trends to anticipate changes in asset values and borrower repayment behavior. Economic indicators, interest rate fluctuations, and sector-specific performance can significantly impact the underlying collateral's value. By monitoring these trends, officers can proactively adjust risk exposure, such as altering LTV limits or revising loan terms.
- Regular LTV assessments, combined with careful risk analysis, lien marking, and market evaluation, strengthen the overall health of the lending portfolio. Proactive measures help reduce the likelihood of defaults, maintain asset quality, and ensure regulatory compliance. By adhering to these practices, credit officers contribute to a secure and sustainable lending framework.

## Demonstrate



Demonstrate how to calculate LTV using a sample asset value and loan amount and show how lien marking is recorded in a sample LMS screen

## Activity



1. **Activity Name:** LTV Calculation and Security Mapping
2. **Objective:** To enable participants to calculate LTV ratios and understand asset risk and security controls
3. **Type of Activity:** Group activity
4. **Resources:** Calculator, sample asset valuation sheets, FD and insurance copies, LTV worksheets, pens, notepads
5. **Time Duration:** 30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with asset values and proposed loan amounts
  - Ask them to calculate LTV for each example
  - Instruct them to identify whether the asset requires lien marking
  - Groups list risk factors associated with each asset
  - Each group presents their calculations and observations
7. **Outcome:** Participants will be able to calculate LTV accurately, identify asset risks, and understand security mechanisms used in secured loan processing

## Notes for Facilitation



- Encourage questions and ensure clarity before moving to advanced calculations
- Keep explanations simple and relatable for freshers
- Emphasize adherence to product-specific LTV policies
- Highlight common errors in asset valuation and lien marking
- Reinforce the link between market trends and loan risk decisions

## Unit 11.3: Loan Processing, Monitoring, and Compliance

### Unit Objectives

By the end of this unit, the participants will be able to:

1. Draft and review loan agreements, including interest rates, repayment schedules, foreclosure clauses, and terms for different loan types.
2. Validate loan applications through sample case studies, ensuring all required documents, LTV ratios, and income proofs are correctly analysed.
3. Record loan processing details in a Loan Management System (LMS) for tracking approvals, disbursements, and ongoing monitoring.
4. Monitor policy status, repayments, and compliance to regulatory guidelines (RBI, SEBI, IRDAI) throughout the loan tenure.
5. Use credit bureau reports (CIBIL, Experian, Equifax) to assess overall credit behaviour and repayment capacity.

### Resources to be Used

Participant handbook, facilitator guide, whiteboard, marker pens, projector, laptop, PPT slides on loan processing and compliance, sample loan application forms, sample loan agreements, repayment schedules, regulatory guideline extracts, LMS demo access, case validation worksheets, notepads, pens

### Do

- Start the session by briefly revising earlier concepts of eligibility and risk assessment
- Walk participants through each stage of loan processing in a logical sequence
- Demonstrate LMS usage slowly so freshers can follow every step
- Encourage participants to observe compliance checkpoints during processing
- Summarize how monitoring and compliance protect both lender and borrower

### Say

- Good morning everyone, I'm excited to take you through the final operational stage of loan processing today
- In this session, I will help you understand how loans are documented, recorded, monitored, and kept compliant
- This is important for you because accurate processing and monitoring ensure smooth repayments and avoid regulatory issues

**Ask**

- When you sign a mobile or internet service agreement, do you usually check all the terms?
- How do you personally keep track of your monthly bill payments or subscriptions?

**Explain**

- Loan agreements clearly define terms, responsibilities, and legal obligations of both parties
- Drafting and reviewing agreements ensures accuracy and policy alignment
- Application validation confirms completeness and correctness before approval
- LMS is used to record every stage of loan processing digitally
- Proper data entry ensures transparency and audit readiness
- Monitoring repayments helps identify delays and early warning signals
- Policy status tracking ensures coverage and validity throughout the loan tenure
- Regulatory compliance ensures adherence to internal and external guidelines

**Elaborate**

- Drafting and reviewing loan agreements is a critical control step before loan disbursement. It ensures that interest rates, tenure, repayment schedules, charges, and security clauses are clearly and accurately mentioned. Proper review helps avoid ambiguity and misinterpretation by the borrower. Any error at this stage can result in legal disputes or regulatory non-compliance.
- Loan agreements also define the rights and responsibilities of both the lender and the borrower. They include clauses related to default, penalties, foreclosure, and recovery actions. A well-drafted agreement protects the financial institution legally. Credit officers must ensure the agreement aligns with internal policies and approved loan terms.
- Validation of loan applications helps confirm that all required documents, declarations, and details are complete and accurate. This step ensures that the application meets product eligibility and policy norms. Validation reduces chances of missing information that could delay disbursement. It also improves operational efficiency by avoiding repeated corrections.
- Application validation also plays an important role in identifying inconsistencies or red flags early. Mismatches in income, employment details, or personal information can be detected at this stage. Early identification helps prevent high-risk approvals. This strengthens the overall quality of the loan portfolio.
- Recording loan processing details in the Loan Management System creates a clear digital record of all activities. Each stage of processing, approval, and disbursement is documented systematically. LMS records support transparency and accountability. They also help during audits and regulatory inspections.
- Accurate LMS entries enable smooth coordination between departments such as operations, collections, and compliance. Any incorrect or delayed entry can impact repayment tracking or customer communication. Proper LMS usage ensures timely updates and reliable reporting. This reduces operational errors and customer complaints.

- Monitoring policy status, repayments, and compliance ensures the loan remains active and protected throughout its tenure. Regular monitoring helps identify overdue payments or potential defaults early. It also ensures that insurance or policy-backed securities do not lapse. Early intervention reduces financial risk.
- Continuous regulatory compliance monitoring ensures adherence to RBI guidelines and internal lending policies. Changes in regulations must be reflected promptly in processes and systems. Non-compliance can lead to penalties and reputational damage. Proactive compliance monitoring safeguards both the institution and the borrower.

## Demonstrate



Demonstrate how to enter a loan application, upload documents, and track repayment status in a sample LMS environment

## Activity



1. **Activity Name:** Loan Processing and LMS Recording Exercise (Draft and Review Loan Agreements, LMS Recording)
2. **Objective:** To help participants practice loan validation, documentation review, and LMS data entry
3. **Type of Activity:** Group activity
4. **Resources:** Sample loan applications, sample loan agreements, LMS access screenshots, validation checklist, pens, notepads
5. **Time Duration:** 30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a sample loan application and agreement
  - Ask them to verify application completeness using the checklist
  - Instruct them to identify key agreement clauses
  - Ask groups to simulate LMS entry steps on paper or screen
  - Groups share observations and common mistakes
7. **Outcome:** Participants gain hands-on understanding of loan processing steps, LMS recording, and compliance checkpoints

## Notes for Facilitation



- Maintain a steady pace and pause frequently to check understanding
- Encourage participation from quieter trainees during discussions
- Emphasize accuracy and attention to detail in documentation
- Highlight common compliance lapses observed in loan processing
- Reinforce the importance of continuous monitoring after disbursement

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. b. RC Certificate
2. b. Calculating the maximum eligible loan against collateral
3. c. IRDAI
4. b. Credit bureau report
5. b. To secure the lender's rights over collateral

### Descriptive Questions:

1. Refer Unit 11.1: Documentation and Eligibility Assessment for Secured Loans  
Topic: 11.1.4 Employment Continuity, Income Stability, and Alternative Income Sources
2. Refer Unit 11.2: Loan-to-Value (LTV) Ratios, Risk, and Security Management  
Topic: 11.2.1 Loan-to-Value (LTV) Ratio and Its Calculation Across Secured Loan Types
3. Refer Unit 11.1: Documentation and Eligibility Assessment for Secured Loans  
Topic: 11.1.1 Identification and Verification of Key Documents for Various Secured Loans
4. Refer Unit 11.2: Loan-to-Value (LTV) Ratios, Risk, and Security Management  
Topic: 11.2.2 Assessment of Risks Associated with Pledged Assets
5. Refer Unit 11.3: Loan Processing, Monitoring, and Compliance  
Topic: 11.3.3 Process of Recording Loan Processing Details in a Loan Management System (LMS)
6. Refer Unit 11.3: Loan Processing, Monitoring, and Compliance  
Topic: 11.3.3 Process of Recording Loan Processing Details in a Loan Management System (LMS)





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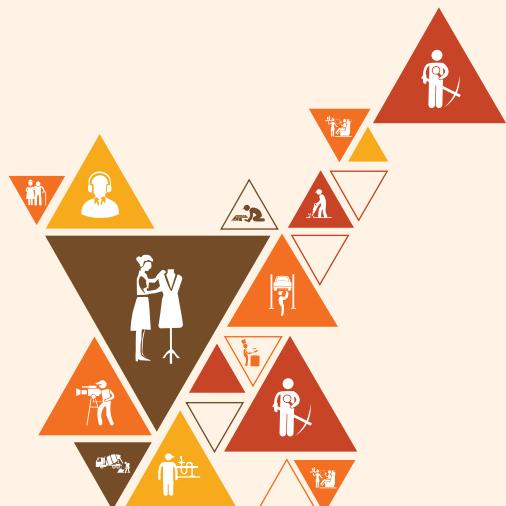


## 12. Process Vehicle Loans

Unit 12.1 - Vehicle Loan Application and Eligibility Assessment

Unit 12.2 - Vehicle Verification, Documentation, and Risk Management

Unit 12.3 - Loan Approval, Disbursal, and Post-Processing



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## Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Evaluate vehicle loan applications by assessing eligibility, verifying documentation, and identifying creditworthiness in line with organisational and regulatory norms.
2. Apply financial and risk assessment tools such as FOIR, DTI, and credit scoring to determine applicant suitability and recommend approval, deviation, or rejection.
3. Execute end-to-end loan processing procedures including application entry, documentation validation, disbursal checks, and EMI setup, ensuring compliance and audit readiness.

## Unit 12.1: Vehicle Loan Application and Eligibility Assessment

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Explain the end-to-end loan processing cycle: application intake, assessment, approval, and disbursal stages.
2. Verify loan application forms for completeness and adherence to internal credit policies, product guidelines, and pricing grids (e.g., 2W, PV, CV).
3. Assess applicant eligibility such as income, employment type, age, co-applicant/guarantor profile, and other customer parameters.
4. Validate KYC documents and regulatory compliance with RBI norms, AML requirements, and internal guidelines.
5. Interpret and analyse credit bureau reports (CIBIL, Experian, Equifax) to evaluate credit scores, alerts, delinquencies, and risk indicators.
6. Identify high-risk profiles such as unstable employment, unverifiable references, multiple inquiries, or borderline cases, and understand escalation procedures.
7. Calculate key financial ratios such as FOIR, DTI, and LTV to determine repayment capacity and maximum loan eligibility.

### Resources to be Used



Participant handbook, facilitator guide, whiteboard, marker pens, projector, laptop, PPT slides on vehicle loan processing and eligibility, sample vehicle loan application forms, sample RC book copies, KYC document samples, credit bureau report samples, financial ratio calculation worksheets, eligibility checklist, escalation flow chart, LMS demo access, notepads, pens

### Do



- Begin the session by linking vehicle loans to participants' everyday experience of purchasing two-wheelers or cars
- Explain the vehicle loan processing flow step by step from application to approval
- Demonstrate document verification and credit report analysis using practical examples
- Emphasize accuracy while calculating financial ratios and reviewing applications
- Recap escalation procedures for high-risk borrower profiles before closing the session

**Say**

- Good morning everyone, I'm excited to start today's session where we will understand how vehicle loans are processed in real banking environments
- In this session, I will help you learn how to verify applications, assess eligibility, analyse credit reports, and identify risks in vehicle loans
- This topic is important for you because vehicle loans are common products and proper assessment helps prevent defaults and customer complaints

**Ask**

- Have you or someone in your family ever applied for a bike or car loan?
- What documents do you think a bank checks before approving a vehicle loan?

**Explain**

- Vehicle loan processing follows a structured end-to-end cycle starting from application submission
- Application forms must be verified for completeness and policy compliance
- Applicant eligibility is assessed based on age, income, employment, and repayment capacity
- KYC verification confirms identity, address, and regulatory compliance
- Credit bureau reports help assess past repayment behaviour and credit history
- High-risk borrower profiles are identified using predefined risk indicators
- Financial ratios such as FOIR and DTI are calculated to assess repayment ability
- Escalation procedures are followed when risks exceed acceptable limits

**Elaborate**

- End-to-end vehicle loan processing begins with application collection and document submission. Each stage such as verification, credit assessment, approval, and disbursement must follow defined procedures. Proper sequencing ensures accuracy and accountability. Any deviation can lead to processing delays or compliance issues.
- Verification of loan application forms ensures that all mandatory fields are filled correctly. Incomplete or incorrect forms can cause delays and rejection. This step helps confirm consistency between personal, financial, and vehicle details. Accurate applications improve processing efficiency.
- Assessment of applicant eligibility ensures the borrower meets institutional lending criteria. Factors such as age, income stability, employment type, and existing liabilities are evaluated. Eligibility assessment protects the lender from excessive risk. It also ensures affordability for the borrower.
- Validation of KYC documents ensures compliance with regulatory requirements. Identity and address verification help prevent fraud and impersonation. Proper KYC protects institutions from legal penalties. Any discrepancy must be resolved before loan approval.
- Credit bureau report analysis provides insight into the applicant's credit behaviour. It highlights repayment history, defaults, and outstanding liabilities. A good credit profile indicates reliability. Poor credit patterns may require rejection or escalation.

- Identification of high-risk borrower profiles helps prevent future defaults. Indicators such as frequent loan enquiries or past delinquencies are analysed. High-risk cases are escalated for senior review. This ensures controlled and responsible lending.
- Calculation of financial ratios such as FOIR and DTI helps assess repayment capacity. These ratios indicate how much income is available after obligations. Accurate calculation prevents overburdening the borrower. It supports sustainable loan approvals.

## Demonstrate



Demonstrate verification of a vehicle loan application form, review of KYC documents, analysis of a sample credit bureau report, and calculation of FOIR using a sample LMS or worksheet

## Activity



1. **Activity Name:** Vehicle Loan Eligibility and Risk Identification Exercise (Application Verification, Credit Report Analysis)
2. **Objective:** To help participants practice vehicle loan application review, eligibility assessment, and risk identification
3. **Type of Activity:** Group activity
4. **Resources:** Sample vehicle loan application forms, KYC copies, credit bureau report samples, eligibility checklist, calculator, notepads, pens
5. **Time Duration:** 30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a sample vehicle loan application set
  - Ask them to verify application completeness and KYC details
  - Instruct them to analyse the credit report and calculate FOIR
  - Ask groups to identify risk indicators and decide approval or escalation
  - Groups present findings and reasoning
7. **Outcome:** Participants gain practical understanding of vehicle loan processing, eligibility checks, credit assessment, and risk escalation

## Notes for Facilitation



- Maintain a learner-friendly pace and explain concepts using simple, relatable examples
- Encourage participation from all trainees, especially those hesitant to speak
- Emphasize accuracy in document verification and ratio calculations
- Highlight common errors seen in vehicle loan applications
- Reinforce the importance of identifying and escalating high-risk cases early

## Unit 12.2: Vehicle Verification, Documentation, and Risk Management

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Verify vehicle ownership, registration, insurance, and invoice details, including checks for used vehicles and refinanced assets.
2. Apply lien marking where required and ensure compliance for secured lending.
3. Identify potential fraud indicators in applications or supporting documents and implement preventive screening techniques.
4. Maintain audit-ready documentation for every stage in both physical and digital formats.
5. Ensure proper documentation and appraisal for new, used, and refinanced vehicles.

### Resources to be Used



Participant handbook, facilitator guide, whiteboard, marker pens, projector, laptop, PPT slides on vehicle verification and risk management, sample RC certificate copies, sample vehicle insurance policies, proforma and tax invoice samples, lien marking request formats, fraud indicator checklist, audit documentation checklist, appraisal formats for new and used vehicles, LMS demo access, notepads, pens

### Do



- Begin by revising how vehicle loans are secured and why vehicle verification is critical
- Explain each vehicle-related document step by step with practical relevance
- Demonstrate lien marking and documentation flow clearly for better understanding
- Highlight common fraud risks and how to detect them during verification
- Summarize how proper documentation supports audits and risk control

### Say



- Good morning everyone, today we will focus on how vehicles are verified and documented in secured vehicle loans
- In this session, I will help you understand vehicle ownership checks, lien marking, fraud indicators, and audit-ready documentation
- This is important for you because vehicle loans involve physical assets and errors can directly lead to financial loss

**Ask**

- Have you ever noticed the documents you receive when buying a bike or car?
- Why do you think banks insist on RC and insurance copies before approving a vehicle loan?

**Explain**

- Vehicle ownership verification confirms that the applicant has legal rights over the vehicle
- RC, insurance, and invoice details must match borrower and loan records
- Lien marking secures the lender's interest in the vehicle
- Fraud indicators help identify duplicate financing or fake vehicle details
- Audit-ready documentation supports transparency and regulatory compliance
- Different documentation requirements apply for new, used, and refinanced vehicles
- Risk management reduces losses and ensures recoverability

**Elaborate**

- Verification of vehicle ownership ensures the vehicle legally belongs to the borrower. Registration certificate details such as owner name, engine number, and chassis number must be verified. This prevents lending against stolen or disputed vehicles. Accurate verification protects the lender's security interest.
- Verification of registration, insurance, and invoice details ensures authenticity and consistency across documents. Insurance must be active and comprehensive. Invoice verification confirms vehicle value and dealer legitimacy. Any mismatch indicates potential risk or fraud.
- Application of lien marking legally secures the lender's claim on the vehicle. Lien details are endorsed on the RC and recorded with authorities. This prevents sale or transfer without lender consent. Proper lien marking is essential for secured lending compliance.
- Identification of fraud indicators helps detect high-risk or fraudulent applications. Signs include altered RCs, mismatched chassis numbers, or multiple loans on the same vehicle. Early detection prevents financial loss. Preventive screening strengthens credit quality.
- Maintenance of audit-ready documentation ensures every verification step is traceable. Complete records support internal audits and regulatory inspections. Missing documents raise compliance concerns. Proper filing reduces operational risk.
- Documentation requirements vary for new, used, and refinanced vehicles. Used vehicles require additional ownership and valuation checks. Refinanced vehicles need closure and lien release verification. Correct appraisal ensures accurate loan exposure.

**Demonstrate**

Demonstrate verification of RC details, insurance validity, invoice matching, and lien marking entry using a sample LMS or document set

## Activity



1. **Activity Name:** Vehicle Verification and Risk Check Exercise (Vehicle Ownership Verification, Fraud Indicator Identification)
2. **Objective:** To help participants practice vehicle document verification and risk identification
3. **Type of Activity:** Group activity
4. **Resources:** Sample RC copies, insurance policies, vehicle invoices, fraud indicator checklist, lien marking format, pens, notepads
5. **Time Duration:** 30 minutes
6. **Instructions:**
  - Divide participants into small groups
  - Provide each group with a set of vehicle documents
  - Ask them to verify ownership, insurance, and invoice details
  - Instruct them to identify any risk or fraud indicators
  - Ask groups to decide whether the case is acceptable or needs escalation
  - Groups present findings and key observations
7. **Outcome:** Participants gain practical exposure to vehicle verification, lien marking awareness, fraud detection, and documentation accuracy

## Notes for Facilitation



- Maintain a steady pace and explain document checks clearly for freshers
- Encourage questions when explaining lien marking and fraud indicators
- Emphasize accuracy in matching vehicle details across documents
- Highlight real-life fraud risks in vehicle financing
- Reinforce the importance of audit-ready documentation for compliance

## Unit 12.3: Loan Approval, Disbursal, and Post-Processing

### Unit Objectives



By the end of this unit, the participants will be able to:

1. Use digital platforms (LMS, core banking systems) to enter, track, and update applicant details and application status.
2. Forward sanctioned or rejected applications with appraisal notes to relevant stakeholders following internal workflows.
3. Confirm disbursal prerequisites like invoice validation, insurance coverage, RC verification, lien marking, and sanction compliance.
4. Initiate disbursal requests and set up repayment mechanisms, including ECS/NACH mandates or PDCs, ensuring accuracy.
5. Collaborate with internal teams, channel partners, and verification agencies to resolve discrepancies and gather additional inputs.
6. Maintain confidentiality, integrity, and neutrality during assessments and communication with applicants or partners.

### Resources to be Used



Participant handbook, facilitator guide, whiteboard, marker pens, projector, laptop, PPT slides on loan approval and disbursal process, digital loan management platform demo access, sample sanction letters, rejection communication formats, disbursal checklist, ECS/NACH mandate forms, repayment schedule samples, internal coordination flowcharts, confidentiality and data protection guidelines, notepads, pens

### Do



- Begin the session by connecting loan approval decisions with earlier assessment and verification steps
- Explain the end-to-end flow from approval to disbursal in a structured and simple manner
- Demonstrate how digital platforms are used for tracking approvals and disbursals
- Highlight the importance of coordination with internal and external stakeholders
- Reinforce ethical behavior, confidentiality, and neutrality throughout loan processing

### Say



- Good morning everyone, today we will focus on how approved vehicle loans are taken forward till disbursal and post-processing
- In this session, I will help you understand digital loan handling, disbursal steps, stakeholder coordination, and ethical responsibilities
- This is important for you because accurate approval and disbursal directly impact customer trust and operational efficiency

**Ask**

- Have you ever received a message or email confirming a payment or approval?
- Why do you think banks take time between loan approval and actual money disbursal?

**Explain**

- Digital platforms are used to manage loan applications efficiently
- Approved and rejected loan decisions must be communicated clearly
- Disbursal prerequisites ensure all conditions are met before fund release
- Repayment mechanisms are set up before loan activation
- Coordination with teams and partners ensures smooth processing
- Confidentiality protects customer data and institutional integrity
- Neutral decision-making ensures fairness and compliance

**Elaborate**

- Use of digital platforms streamlines loan application tracking and approval workflows. These platforms reduce manual errors and improve turnaround time. Credit officers can monitor application status in real time. Digital systems also support audit and compliance needs.
- Forwarding sanctioned or rejected loan applications ensures transparency and timely communication. Sanction letters clearly outline terms and conditions approved by the lender. Rejection communication must be polite, clear, and policy-based. Proper documentation avoids misunderstandings and customer disputes.
- Confirmation of disbursal prerequisites ensures all conditions are fulfilled before releasing funds. This includes document verification, lien marking, and mandate setup. Missing prerequisites can delay or cancel disbursal. This step safeguards the lender's financial and legal interests.
- Initiation of loan disbursal involves releasing funds and activating the loan account in the system. Repayment mechanisms such as ECS or NACH are set up in advance. Accurate setup ensures timely EMI recovery. Errors at this stage can disrupt cash flow and customer confidence.
- Collaboration with internal teams and external partners ensures smooth loan execution. Credit, operations, legal, and verification agencies must coordinate effectively. Clear communication avoids duplication of work and processing delays. Strong coordination improves overall customer experience.
- Maintenance of confidentiality ensures customer data is protected at all stages of loan processing. Integrity ensures that decisions are policy-driven and unbiased. Neutrality prevents favoritism or conflicts of interest. Ethical conduct builds trust and institutional credibility.
- Post-processing follow-up ensures that loan records, repayment schedules, and customer communication remain accurate. Continuous monitoring helps identify operational gaps early. Proper post-disbursal checks support compliance and service quality. This strengthens long-term loan portfolio performance.

## Demonstrate



Demonstrate how a loan application is approved, forwarded, disbursed, and repayment setup is completed using a digital loan management platform

## Activity



- Activity Name:** Loan Approval to Disbursal Flow Exercise (Digital Platforms, Disbursal Prerequisites, Repayment Setup)
- Objective:** To help participants understand approval communication, disbursal readiness, and repayment setup
- Type of Activity:** Group activity
- Resources:** Sample sanction letters, rejection formats, disbursal checklist, ECS/NACH forms, digital workflow printouts, pens, notepads
- Time Duration:** 30 minutes
- Instructions:**
  - Divide participants into small groups
  - Provide each group with an approved loan workflow set
  - Ask them to arrange steps from approval to disbursal
  - Instruct them to identify mandatory disbursal prerequisites
  - Ask groups to list repayment setup steps
  - Groups share learning points and common errors
- Outcome:** Participants gain clarity on loan approval communication, disbursal readiness, repayment mechanisms, and coordination requirements

## Notes for Facilitation



- Keep explanations simple and relatable for first-time learners
- Encourage questions during digital workflow explanation
- Emphasize accuracy and accountability during disbursal stages
- Highlight data confidentiality and ethical conduct expectations
- Reinforce teamwork and coordination as key success factors

## Answers to the Exercise in Participant Handbook

### Multiple-choice Questions:

1. d. All of the above
2. b. Maximum eligible loan against asset value
3. a. CIBIL, Experian, Equifax
4. b. Applicant repayment capacity
5. b. Invoice and RC verification

### Descriptive Questions:

1. Refer Unit 12.1: Vehicle Loan Application and Eligibility Assessment  
Topic: 12.1.1 End-to-End Loan Processing Cycle
2. Refer Unit 12.1: Vehicle Loan Application and Eligibility Assessment  
Topic: 12.1.3 Assessment of Applicant Eligibility for Loan Processing
3. Refer Unit 12.2: Vehicle Verification, Documentation, and Risk Management  
Topic: 12.2.1 Verification of Vehicle Ownership, Registration, Insurance, and Invoice Details
4. Topic: 12.2.2 Application of Lien Marking and Ensure Compliance for Secured Lending  
Refer Unit 12.1: Vehicle Loan Application and Eligibility Assessment
5. Topic: 12.1.5 Interpretation and Analysis of Credit Bureau Reports  
Topic: 12.1.6 Identification of High-Risk Borrower Profiles and Escalation Procedures
6. Refer Unit 12.3: Loan Approval, Disbursal, and Post-Processing  
Topic: 12.3.3 Confirmation of Disbursal Prerequisites for Loan Processing  
Topic: 12.3.4 Initiation of Loan Disbursal and Setting Up Repayment Mechanisms



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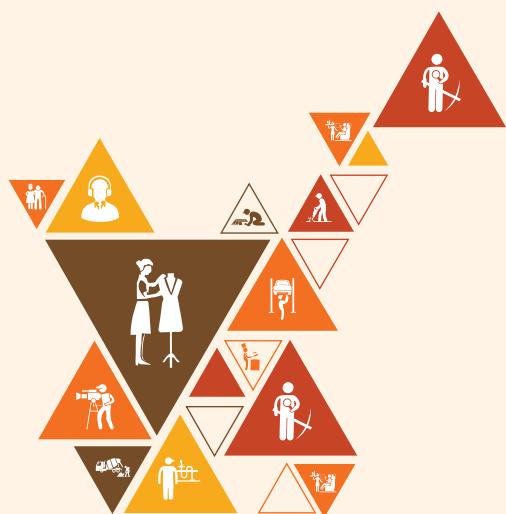


## 13. Annexures

Annexure I: Training Delivery Plan

Annexure II: Assessment Criteria

Annexure III: List of QR Codes Used in PHB



## Annexure I

### Training Delivery Plan

Training Delivery Plan			
<b>Program Name:</b>	Credit Processing Officer		
<b>Qualification Pack Name &amp; Ref. ID</b>	Credit Processing Officer, BSC/Q2304		
<b>Version No.</b>	5.0	<b>Version Update Date</b>	07/10/2028
<b>Pre-requisites to Training (if any)</b>	NA		
<b>Training Outcomes</b>	<p><b>By the end of this program, the participants will be able to:</b></p> <ol style="list-style-type: none"> <li>1. Explain the structure of the banking industry and its sub-sectors, and describe the job role, responsibilities, and career growth opportunities of a Credit Processing Officer.</li> <li>2. Discuss the process of assessing customer loan applications from various sources for accuracy, completeness, and eligibility as per RBI and institutional guidelines.</li> <li>3. Describe how to verify KYC documents (Aadhaar, PAN, Passport, Voter ID) and analyse financial stability using documents such as salary slips, bank statements, ITRs, and business financials.</li> <li>4. Explain how to interpret credit reports (CIBIL, Experian) and calculate key financial ratios such as DTI, FOIR, and LTV to determine creditworthiness and loan eligibility.</li> <li>5. Discuss the process of identifying secured and unsecured loans, understanding the role of collateral in risk assessment, and differentiating between banks, NBFCs, and other financial institutions in loan processing.</li> <li>6. Describe the procedure for underwriting, loan sanctioning, and verifying eligibility reports and supporting documents for final approval.</li> <li>7. Explain how to use a Loan Management System (LMS) for data entry, record-keeping, compliance tracking, and monitoring the status of loan applications.</li> <li>8. Discuss the process of communicating loan status updates to applicants through automated messages, emails, or direct communication and guiding rejected applicants for reapplication or alternative loan options.</li> <li>9. Explain the process of identifying and preventing potential fraud risks such as fake documents, undisclosed debts, and financial inconsistencies.</li> <li>10. Describe the procedures for property and collateral verification including legal and valuation assessments.</li> </ol>		

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
1.	<b>Introduction to the Banking Sector and the Job Role of Credit Processing Officer</b>	<b>Loan Application Lifecycle and Compliance Management</b>	<ul style="list-style-type: none"> <li>Elaborate on the systematic collection of applications from multiple channels while verifying KYC compliance through documents like Aadhaar and PAN.</li> <li>Outline the procedure for validating property or collateral documents through legal and valuation coordination while recording all details accurately in the Loan Management System (LMS).</li> <li>Elucidate the fundamental RBI guidelines, banking regulations, and the various types of secured and unsecured loan products available in the banking sector.</li> </ul>	BSC/N2313, PC1, PC2, PC3, PC4, PC5, PC6, KU1, KU2, KU3, KU6, KU7	Classroom lecture/ PowerPoint Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	5 Theory (05:00) Practical (00:00)
		<b>Credit Risk Assessment and Financial Verification</b>	<ul style="list-style-type: none"> <li>Illustrate the process of reviewing financial documents and credit bureau reports from CIBIL or Experian to assess repayment behaviour and existing liabilities.</li> <li>Describe the methods used to calculate critical risk ratios such as DTI, FOIR, and LTV while identifying potential red flags like fraudulent documentation or undisclosed debts.</li> </ul>	BSC/N2313, PC7, PC8, PC9, PC10, PC11, PC12, PC13, PC14, PC15, PC16, PC17, PC18, KU4, KU5			5 Theory (05:00) Practical (00:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the interpretation of financial statements, GST returns, and audited reports to determine the financial stability and repayment capacity of both salaried and self-employed applicants.</li> </ul>				
2	<b>Identify and approach potential clients</b>	<b>Regulatory Compliance and Loan Validation</b>	<ul style="list-style-type: none"> <li>Elaborate on the process of verifying loan applications for compliance by cross-checking applicant details and financial documents against RBI-mandated standards.</li> <li>Describe the implementation of fair lending practices and the coordination with legal teams to address policy updates or regulatory clarifications.</li> <li>Elucidate the foundational RBI guidelines and regulatory frameworks that govern loan processing and general banking compliance.</li> </ul>	BSC/N2314, PC1, PC5, PC6, KU1	Classroom lecture/ PowerPoint Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (05:00) Practical (03:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
		<b>KYC Authentication and Identity Verification</b>	<ul style="list-style-type: none"> <li>Illustrate the validation of identity proofs such as Aadhaar, PAN, and Passport while ensuring address verification through utility bills or bank statements as per KYC norms.</li> <li>Outline the procedure for cross-checking customer details with government databases like UIDAI and NSDL to detect discrepancies or fraudulent submissions.</li> <li>Elucidate the specific KYC verification requirements and the use of digital databases for authenticating applicant credentials.</li> </ul>	BSC/N2314, PC2, PC8, PC9, KU1			8 Theory (05:00) Practical (03:00)
		<b>AML Screening and Sanction List Monitoring</b>	<ul style="list-style-type: none"> <li>Describe the implementation of AML checks by screening applicants through sanction lists, politically exposed persons (PEP) lists, and international databases like OFAC or UNSC.</li> <li>Illustrate the process of checking customer names against the RBI defaulters' list and Financial Intelligence Unit (FIU) reports to ensure comprehensive compliance.</li> </ul>	BSC/N2314, PC3, PC10, KU5			8 Theory (05:00) Practical (03:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the importance of international AML compliance lists and the specific protocols for monitoring global watchlists.</li> </ul>				
		<b>Anti-Money Laundering and Suspicious Activity Detection</b>	<ul style="list-style-type: none"> <li>Outline the methods for assessing loan transactions for suspicious activity and flagging high-risk cases in coordination with risk management teams.</li> <li>Illustrate the analysis of financial transaction patterns to detect money laundering indicators such as sudden high-value transactions or multiple small deposits.</li> <li>Elucidate the regulatory reporting requirements for filing Suspicious Transaction Reports (STRs) with the Financial Intelligence Unit (FIU-IND).</li> </ul>	BSC/N2314, PC4, PC11, PC13, KU3			8 Theory (05:00) Practical (03:00)
		<b>Enhanced Due Diligence for High-Risk Profiles</b>	<ul style="list-style-type: none"> <li>Describe the identification of Politically Exposed Persons (PEPs) and the execution of enhanced due diligence (EDD) for high-risk applicants.</li> </ul>	BSC/N2314, PC12, KU4			8 Theory (05:00) Practical (03:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>• Elaborate on the screening processes required for high-risk customers to mitigate potential institutional liability.</li> <li>• Elucidate the specialised knowledge required for handling PEPs and the heightened scrutiny involved in enhanced due diligence.</li> </ul>				
		<b>Data Security and Information Confidentiality</b>	<ul style="list-style-type: none"> <li>• Illustrate the handling of customer information in strict compliance with banking cybersecurity protocols and data protection laws to ensure confidentiality.</li> <li>• Outline the internal measures taken to protect sensitive financial data from unauthorised access during the loan processing cycle.</li> <li>• Elucidate the overarching principles of data security and the legal requirements for maintaining customer privacy within the banking sector.</li> </ul>	BSC/N2314, PC7, KU1			8 Theory (05:00) Practical (03:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
		<b>Fraud Detection and Risk Assessment Methodologies</b>	<ul style="list-style-type: none"> <li>Describe the techniques used to detect loan fraud including the identification of document forgery, fake employment records, and undisclosed liabilities.</li> <li>Illustrate the calculation of risk assessment parameters such as Debt-to-Income (DTI) and Loan-to-Value (LTV) ratios to determine loan eligibility.</li> <li>Elucidate various risk assessment methodologies and fraud detection strategies used to safeguard the bank's assets.</li> </ul>	BSC/N2314, PC18, KU2, KU6			6 Theory (03:00) Practical (03:00)
		<b>Document Maintenance and Record Keeping</b>	<ul style="list-style-type: none"> <li>Outline the systematic organisation of physical and digital loan records, including KYC proofs, income statements, and collateral papers.</li> <li>Describe the adherence to document retention policies to ensure records are safely stored for future reference and legal compliance.</li> <li>Elucidate the internal banking documentation policies regarding the storage of approvals, rejections, and pending applications.</li> </ul>	BSC/N2314, PC14, PC15, PC17, KU1			6 Theory (03:00) Practical (03:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
		<b>Audit Readiness and Compliance Reporting</b>	<ul style="list-style-type: none"> <li>Illustrate the preparation of comprehensive loan processing reports that capture verification details, risk assessment findings, and compliance checks for audit purposes.</li> <li>Elaborate on the reporting of suspicious activities such as document forgery or mismatched information to the risk management team.</li> <li>Elucidate the standards for maintaining audit-ready records and the importance of transparency in the loan management lifecycle.</li> </ul>	BSC/N2314, PC16, PC18, KU3			5 Theory (02:00) Practical (03:00)
		<b>Loan Management Systems and Digital Tracking</b>	<ul style="list-style-type: none"> <li>Describe the utilisation of Loan Management Systems (LMS) for entering, updating, and tracking the status of loan application details throughout the processing stages.</li> <li>Outline the digital workflow for recording compliance checks and risk findings within the centralised banking software.</li> <li>Elucidate the functional usage of LMS and digital platforms in maintaining accurate and retrievable loan documentation.</li> </ul>	BSC/N2314, PC14, PC16, KU7			5 Theory (02:00) Practical (03:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
3	<b>Assist clients in mutual fund application and KYC process</b>	Stakeholder Liaison and Credit Communication	<ul style="list-style-type: none"> <li>Elaborate on the communication protocols with credit officers and risk assessment teams to provide comprehensive loan application details, eligibility reports, and justifications for approvals or rejections.</li> <li>Outline the procedures for tracking loan application status through internal banking software and Loan Management Systems (LMS) to expedite processing timelines.</li> <li>Illustrate the methods for liaising with banks and NBFCs to facilitate loan approvals, negotiate terms, and confirm disbursement schedules in alignment with internal and regulatory deadlines.</li> </ul>	BSC/N2315, PC1, PC2, PC4, PC5, PC6, KU3, KU9	Classroom lecture/ Power-Point Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (03:00) Practical (05:00)
		Documentation Discrepancy Resolution	<ul style="list-style-type: none"> <li>Describe the process of identifying inconsistencies in loan applications by cross-verifying financial data against internal records, credit bureau reports, and official government databases like UIDAI and NSDL.</li> </ul>	BSC/N2315, PC3, PC7, PC8, PC9, PC10, PC11, PC12, PC13, KU2, KU5, KU7			8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Illustrate the coordination required to reconcile property or collateral discrepancies by obtaining legal verification reports, technical valuations, and ownership clarifications for secured loans.</li> <li>Elucidate the strategies for resolving underwriting queries and escalating unresolved discrepancies to senior credit managers or fraud investigation teams for risk mitigation.</li> </ul>				
		<b>Sanctioning and Compliance Verification</b>	<ul style="list-style-type: none"> <li>Outline the procedures for ensuring loan applications meet all approval criteria by coordinating with underwriters and cross-checking interest rates, repayment tenures, and sanctioning conditions.</li> <li>Describe the verification of final approvals from the credit committee or senior management before initiating formal disbursement procedures.</li> </ul>	BSC/N2315, PC14, PC15, PC16, PC17, KU1, KU10			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>• Elucidate the comprehensive RBI guidelines and banking regulations related to loan processing and the importance of data security protocols under banking cybersecurity laws.</li> </ul>				
	<b>Loan Disbursement and Agreement Management</b>		<ul style="list-style-type: none"> <li>• Illustrate the process of liaising with financial institutions to ensure smooth processing of approved loans while adhering to specific fund transfer protocols and disbursement conditions.</li> <li>• Describe the management of loan agreement signing to ensure borrowers acknowledge loan terms, EMI schedules, repayment obligations, and foreclosure conditions.</li> <li>• Elucidate the analysis of business financial statements, including GST filings and audited balance sheets, to confirm the financial viability of self-employed applicants prior to disbursement.</li> </ul>	BSC/N2315, PC18, PC19, PC20, KU4, KU6, KU8			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
4	<b>Provide ongoing support for investment portfolio monitoring and redemptions</b>	Credit Stakeholder Communication	<ul style="list-style-type: none"> <li>Elaborate on the protocols for communicating complete loan application details, supporting documents, and eligibility reports to credit officers for review.</li> <li>Describe the collaboration with risk assessment teams to address potential risks and verify flagged inconsistencies according to internal lending policies.</li> <li>Elucidate the timelines and processing standards for loan approvals to ensure adherence to internal and regulatory deadlines.</li> </ul>	BSC/N2315, PC1, PC2, KU9	Classroom lecture/ PowerPoint Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	7 Theory (05:00) Practical (02:00)
		Inter-Institutional Liaison	<ul style="list-style-type: none"> <li>Outline the methods for liaising with banks and NBFCs to facilitate loan approvals, negotiate specific terms, and confirm disbursement timelines.</li> <li>Illustrate the coordination with external financial institutions to ensure smooth processing and adherence to their specific disbursement protocols.</li> </ul>	BSC/N2315, PC4, PC18, KU1			7 Theory (05:00) Practical (02:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the various RBI guidelines and banking regulations governing the approval and disbursement of loans within the financial sector.</li> </ul>				
		<b>Application Tracking and Justification</b>	<ul style="list-style-type: none"> <li>Describe the process of tracking loan application status using internal banking software and Loan Management Systems (LMS) to expedite processing.</li> <li>Illustrate the method of compiling detailed risk assessment reports and credit history evaluations to provide justifications for loan approvals or rejections.</li> <li>Elucidate the use of internal banking software and LMS for managing approvals and maintaining transparency in the loan lifecycle.</li> </ul>	BSC/N2315, PC5, PC6, KU3			7 Theory (05:00) Practical (02:00)
		<b>Document Discrepancy Identification</b>	<ul style="list-style-type: none"> <li>Outline the procedures for identifying inconsistencies in loan applications by reviewing submitted documents for missing information or mismatched financial data.</li> </ul>	BSC/N2315, PC7, PC8, KU5			7 Theory (05:00) Practical (02:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Illustrate the cross-verification of customer information with internal banking records, credit bureau reports, and official government databases like UIDAI and NSDL.</li> <li>Elucidate the interpretation of credit bureau reports, including the analysis of CIBIL, Experian, and Equifax scores to detect fraudulent submissions.</li> </ul>				
		<b>Financial and Collateral Validation</b>	<ul style="list-style-type: none"> <li>Describe the coordination with credit officers and risk assessment teams to validate financial statements, employment records, and collateral details.</li> <li>Illustrate the reconciliation of property or collateral discrepancies by obtaining legal verification reports, technical valuations, or ownership clarifications.</li> <li>Elucidate the legal documentation and property verification norms required for secured loans such as home loans and LAP.</li> </ul>	BSC/N2315, PC9, PC11, KU2			6 Theory (04:00) Practical (02:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
		Regulatory Documentation Standards	<ul style="list-style-type: none"> <li>• Elaborate on the methods for ensuring compliance with lender policies by verifying that required documents meet regulatory and internal documentation standards.</li> <li>• Describe the coordination with applicants and sales teams to resolve discrepancies by obtaining missing or corrected documents.</li> <li>• Elucidate the analysis of business financial statements, including GST filings and audited balance sheets, for self-employed applicants.</li> </ul>	BSC/N2315, PC10, PC15, KU6			6 Theory (04:00) Practical (02:00)
		Underwriting and Escalation Protocols	<ul style="list-style-type: none"> <li>• Illustrate the process of resolving underwriting queries by providing clarification on flagged inconsistencies, risk factors, or document authenticity concerns.</li> <li>• Describe the escalation of unresolved discrepancies to senior credit managers or fraud investigation teams for further review.</li> </ul>	BSC/N2315, PC12, PC13, KU7			5 Theory (03:00) Practical (02:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate various risk mitigation strategies, including the handling of high-risk applications and requirements for additional due diligence.</li> </ul>				
		<b>Loan Sanctioning and Approval Coordination</b>	<ul style="list-style-type: none"> <li>Outline the coordination with credit officers and underwriters to ensure every loan application meets all established approval criteria.</li> <li>Illustrate the cross-checking of loan terms, interest rates, repayment tenure, and disbursement schedules to ensure compliance with sanctioning conditions.</li> <li>Elucidate the structural components of loan agreements, including interest rates, repayment schedules, and foreclosure conditions.</li> </ul>	BSC/N2315, PC14, PC16, KU4			5 Theory (03:00) Practical (02:00)
		<b>Final Approval and Disbursement Security</b>	<ul style="list-style-type: none"> <li>Describe the verification process for obtaining final approval from the credit committee or senior management before initiating disbursement procedures.</li> </ul>	BSC/N2315, PC17, PC20, KU10			5 Theory (03:00) Practical (02:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Illustrate the monitoring of loan disbursement timelines to prevent processing delays and proactively address potential bottlenecks.</li> <li>Elucidate the data security and confidentiality protocols that ensure customer information is protected under banking cybersecurity laws.</li> </ul>				
	<b>Loan Agreement and Fund Transfer</b>		<ul style="list-style-type: none"> <li>Outline the process of ensuring borrowers review and acknowledge loan terms, EMI schedules, and repayment obligations during the agreement signing.</li> <li>Illustrate the liaison with financial institutions to ensure compliance with specific fund transfer procedures and disbursement conditions.</li> <li>Elucidate the standard loan disbursement protocols and the necessary steps to ensure a smooth transfer of funds to the borrower.</li> </ul>	BSC/N2315, PC18, PC19, KU8			5 Theory (03:00) Practical (02:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
5	<b>Ensure compliance and regulatory reporting</b>	Stakeholder Collaboration and Reporting	<ul style="list-style-type: none"> <li>Elaborate on the communication strategies used with credit officers and risk assessment teams to provide complete application details and eligibility reports.</li> <li>Describe the process of tracking loan application status and providing justifications for approvals or rejections through detailed risk reports.</li> <li>Elucidate the timelines and processing standards for loan approvals while ensuring adherence to internal and regulatory deadlines as per bank norms.</li> </ul>	BSC/N2316, PC1, PC2, PC4, PC5, PC6, KU3, KU9	Classroom lecture/ PowerPoint Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (03:00) Practical (05:00)
		Inconsistency Identification and Verification	<ul style="list-style-type: none"> <li>Outline the methods for identifying inconsistencies in loan applications by reviewing submitted financial data for missing or mismatched details.</li> <li>Illustrate the cross-verification of customer information with internal records, credit bureau reports, and official government databases like UIDAI and NSDL.</li> </ul>	BSC/N2316, PC3, PC7, PC8, KU5, KU10			8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the interpretation of credit bureau reports, including CIBIL, Experian, and Equifax scores, to detect fraudulent or incorrect submissions.</li> </ul>				
		<b>Validation and Risk Mitigation</b>	<ul style="list-style-type: none"> <li>Describe the coordination with underwriting teams to validate financial statements, employment records, and collateral details for final loan approval.</li> <li>Illustrate the process of reconciling property discrepancies by obtaining legal verification reports and technical valuations for secured loans like LAP.</li> <li>Elucidate various risk mitigation strategies, including the handling of high-risk applications, escalations to fraud investigation teams, and legal property verification norms.</li> </ul>	BSC/N2316, PC9, PC10, PC11, PC12, PC13, KU2, KU6, KU7			7 Theory (02:00) Practical (05:00)
		<b>Sanctioning and Disbursement Governance</b>	<ul style="list-style-type: none"> <li>Outline the procedures for ensuring loan applications meet approval criteria and compliance with sanctioning conditions like interest rates and repayment tenures.</li> </ul>	BSC/N2316, PC14, PC15, PC16, PC17, PC18, PC19, PC20, KU1, KU4, KU8			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Illustrate the liaison with financial institutions to ensure smooth processing of approved loans and adherence to specific fund transfer protocols.</li> <li>Elucidate the structural requirements of loan agreements, RBI guidelines for disbursement, and the necessity of maintaining data security under banking laws.</li> </ul>				
8	Process Home Loan	Property Documentation and Legal Clearance	<ul style="list-style-type: none"> <li>Elaborate on the collection and review of property documents such as sale deeds, title deeds, and encumbrance certificates to verify ownership via government land registries.</li> <li>Outline the process for ensuring legal clearances by confirming the absence of disputes or encroachments while coordinating with legal teams to validate clear titles and outstanding claims.</li> <li>Elucidate the fundamental mortgage laws and property lien regulations, including the verification of No Objection Certificates (NOC) from housing societies.</li> </ul>	BSC/N2317, PC1, PC2, PC3, PC4, PC6, KU1	Classroom lecture/ Power-Point Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
		<b>Technical Assessment and Regulatory Compliance</b>	<ul style="list-style-type: none"> <li>Illustrate the assessment of compliance with local building regulations by verifying approved building plans, occupancy certificates, and land use approvals.</li> <li>Describe the identification of potential risks associated with unauthorised constructions, missing approvals, or fraudulent ownership claims.</li> <li>Elucidate the property valuation methodologies and how lenders determine market value through detailed technical valuation reports.</li> </ul>	BSC/N2317, PC5, PC8, PC15, KU5			8 Theory (03:00) Practical (05:00)
		<b>Financial Eligibility and Risk Calculation</b>	<ul style="list-style-type: none"> <li>Describe the methods for calculating the Loan-to-Value (LTV) ratio based on market value and bank norms to determine the eligible loan amount.</li> <li>Illustrate the assessment of the applicant's Fixed Obligation to Income Ratio (FOIR) and Debt-to-Income (DTI) ratio to ensure repayment capacity and affordability.</li> </ul>	BSC/N2317, PC7, PC9, PC10, PC11, PC13, KU2, KU3, KU4			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the process of evaluating creditworthiness using credit bureau reports like CIBIL to analyse repayment history and identify high-risk applicants with excessive debt.</li> </ul>				
	Liaison, Data Management, and Escalation		<ul style="list-style-type: none"> <li>Outline the procedures for liaising with legal and technical experts to conduct site inspections and review due diligence reports for real estate law compliance.</li> <li>Describe the process of updating Loan Management Systems (LMS) with verification findings and legal clearances to maintain audit readiness and data security.</li> <li>Elucidate the protocols for addressing document discrepancies and escalating complex legal or valuation issues to senior credit officers for expert review.</li> </ul>	BSC/N2317, PC12, PC14, PC16, PC17, PC18, PC19, KU6, KU7			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
9	<b>Process Loan against Property (LAP)</b>	<b>Property Documentation and Ownership Verification</b>	<ul style="list-style-type: none"> <li>Elaborate on the collection and review of critical property documents including sale deeds, title deeds, and tax receipts to verify ownership through government registries.</li> <li>Describe the process of ensuring legal clearances by confirming the absence of disputes or litigations while checking for existing mortgages via No Objection Certificates (NOC).</li> <li>Elucidate the relevant mortgage laws and property lien regulations required to validate clear titles and ensure compliance with municipal standards.</li> </ul>	BSC/N2318, PC1, PC2, PC3, PC4, PC6, KU1	Classroom lecture/ Power-Point Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (03:00) Practical (05:00)
		<b>Technical Assessment and Property Risk Management</b>	<ul style="list-style-type: none"> <li>Illustrate the assessment of local building regulations by verifying approved plans, occupancy certificates, and land use approvals to identify unauthorised constructions.</li> <li>Outline the coordination with technical valuation experts to conduct site inspections and determine market value as per lender guidelines.</li> </ul>	BSC/N2318, PC5, PC8, PC15, KU5			8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the property valuation methodologies used by lenders to determine market value and how these technical reports impact the overall risk assessment.</li> </ul>				
		<b>Financial Eligibility and Credit Risk Analysis</b>	<ul style="list-style-type: none"> <li>Describe the methods for calculating the Loan-to-Value (LTV) ratio by comparing property market value against requested loan amounts to determine lender risk.</li> <li>Illustrate the assessment of the applicant's Fixed Obligation to Income Ratio (FOIR) and Debt-to-Income (DTI) by analysing net disposable income and existing liabilities.</li> <li>Elucidate the evaluation of creditworthiness using credit bureau reports like CIBIL to analyse repayment history and identify high-risk applicants with unstable income patterns.</li> </ul>	BSC/N2318, PC7, PC9, PC10, PC11, PC13, KU2, KU3, KU4			7 Theory (02:00) Practical (05:00)
		<b>Legal Due Diligence and Systems Management</b>	<ul style="list-style-type: none"> <li>Outline the procedures for reviewing legal due diligence reports to confirm compliance with real estate laws and mortgage eligibility requirements.</li> </ul>	BSC/N2318, PC12, PC14, PC16, PC17, PC18, PC19, KU6, KU7			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Describe the process of updating Loan Management Systems (LMS) with property verification findings and legal clearances for record-keeping and audit purposes.</li> <li>Elucidate the protocols for addressing document discrepancies, escalating complex valuation issues to senior officers, and maintaining data security for borrower information.</li> </ul>				
10	<b>Process Gold Loan</b>	<b>Gold Appraisal and Valuation Standards</b>	<ul style="list-style-type: none"> <li>Elaborate on the inspection of gold ornaments or bullion using industry-approved purity tests such as karat meters, acid tests, or electronic gold testers to determine the specific purity levels.</li> <li>Outline the process of accurately weighing gold using calibrated electronic balances to determine the total loan-eligible weight while checking prevailing market rates.</li> </ul>	BSC/N2319, PC1, PC2, PC3, PC4, PC5, PC6, KU1, KU2, KU3, KU4	Classroom lecture/ PowerPoint Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the calculation of the Loan-to-Value (LTV) ratio as per RBI guidelines and lender policies to establish the maximum loan amount based on net gold weight and hallmark certifications.</li> </ul>				
		<b>Identity Verification and Credit Assessment</b>	<ul style="list-style-type: none"> <li>Describe the verification of customer identity and KYC documents like Aadhaar and PAN to prevent identity fraud in compliance with AML regulations.</li> <li>Illustrate the evaluation of applicant creditworthiness by reviewing CIBIL scores and existing liabilities to assess potential financial risks and repayment history.</li> <li>Elucidate the regulatory framework for gold loans ensuring all transactions follow RBI mandates, internal policies, and financial security standards for transparency.</li> </ul>	BSC/N2319, PC9, PC11, PC13, PC20, KU5, KU8, KU10			8 Theory (03:00) Practical (05:00)
		<b>Fraud Mitigation and Risk Screening</b>	<ul style="list-style-type: none"> <li>Illustrate the techniques for detecting fraudulent transactions by cross-checking pledged items against stolen property databases and internal blacklists.</li> </ul>	BSC/N2319, PC7, PC10, PC12, PC14, KU6, KU7			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Describe the identification of fraud indicators such as repeated pledging of the same gold, low-purity submissions, or sudden high-value transactions that deviate from normal patterns.</li> <li>Elucidate the process of monitoring gold loan transactions for unusual activity like frequent early redemptions to maintain the integrity of the lending portfolio.</li> </ul>				
	<b>Vault Management and Digital Documentation</b>		<ul style="list-style-type: none"> <li>Outline the procedures for secured storage of pledged gold in tamper-proof packets with unique identification tagging within bank-authorised vaults.</li> <li>Describe the implementation of dual-authentication storage procedures and the maintenance of transaction records within the Loan Management System (LMS) for audit purposes.</li> <li>Elucidate the protocols for monitoring loan tenure and repayment status to manage overdue loans and initiate auction or release procedures as per lender storage terms.</li> </ul>	BSC/N2319, PC8, PC15, PC16, PC17, PC18, PC19, KU9, KU11			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
11	<b>Process Personal &amp; Student Loan</b>	<b>Financial Stability and Credit-worthiness Assessment</b>	<ul style="list-style-type: none"> <li>Elaborate on the collection and review of income documents like salary slips, Form 16, and ITR for both salaried and self-employed applicants to assess financial stability.</li> <li>Describe the methods for assessing creditworthiness by interpreting CIBIL, Experian, and Equifax reports to analyse repayment history and default risks.</li> <li>Elucidate the calculation of Fixed Obligation to Income Ratio (FOIR) and Debt-to-Income (DTI) ratio to determine an applicant's loan affordability and overall repayment capacity.</li> </ul>	BSC/N2320, PC1, PC2, PC3, PC4, PC6, PC7, PC8, KU1, KU2, KU3, KU4	Classroom lecture/ Power-Point Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (03:00) Practical (05:00)
		<b>Co-borrower and Guarantor Due Diligence</b>	<ul style="list-style-type: none"> <li>Outline the procedures for verifying the identity and financial background of co-borrowers or guarantors through KYC documents and income stability reviews.</li> <li>Illustrate the process of checking the creditworthiness and existing liabilities of guarantors to ensure they meet the lender's eligibility criteria and minimum income thresholds.</li> </ul>	BSC/N2320, PC5, PC9, PC10, PC11, PC12, PC13, PC14, PC15, PC20, KU5			8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the importance of validating relationship alignment and obtaining signed declarations to confirm the co-borrower's acknowledgment of repayment responsibilities.</li> </ul>				7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
		<b>Data Management and Escalation Protocols</b>	<ul style="list-style-type: none"> <li>Outline the usage of Loan Management Systems (LMS) for recording applicant details, verification findings, and institute confirmation records for future reference.</li> <li>Illustrate the process of communicating with institute representatives and internal teams to verify course continuity and resolve academic discrepancies.</li> <li>Elucidate the protocols for escalating suspicious cases or fraudulent documentation to senior credit officers and risk management teams for further investigation.</li> </ul>	BSC/N2320, PC22, PC23, KU8			7 Theory (02:00) Practical (05:00)
12	<b>Process Secured and Unsecured Asset-Backed Loans</b>	<b>Vehicle Loan Appraisal and Dealership Coordination</b>	<ul style="list-style-type: none"> <li>Elaborate on the collection and verification of vehicle loan applications, ensuring all mandatory documents like registration certificates (RC) and insurance are provided.</li> </ul>	BSC/N2321, PC1, PC2, PC3, PC4, PC5, PC6, PC7, KU2, KU3, KU4	Classroom lecture/ PowerPoint Presentation/Question & Answer and Group Discussion	Whiteboard and markers, Chart paper and sketch pens, an LCD Projector and Laptop for presentations, PCs/ Laptops, and Internet with Wi-Fi (at Least 2 Mbps Dedicated).	8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Outline the process of coordinating with dealerships and valuation teams to authenticate purchase prices and calculate the Loan-to-Value (LTV) ratio based on depreciation and market checks.</li> <li>Elucidate the types of vehicles eligible for financing, including new and used commercial vehicles, while tracking the processing status within the Loan Management System (LMS).</li> </ul>				
	<b>Securities and Market-Linked Loan Management</b>		<ul style="list-style-type: none"> <li>Describe the verification of pledged securities such as demat account statements, mutual funds, and bonds to assess loan eligibility based on current market values.</li> <li>Illustrate the monitoring of security price fluctuations and the application of margin calls if the value drops below the required threshold in compliance with SEBI guidelines.</li> </ul>	BSC/N2321, PC8, PC9, PC10, PC11, PC12, PC13, PC14, KU5			8 Theory (03:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Elucidate the risk profiles and liquidity of approved stocks and debentures while maintaining detailed loan records in the Loan Management System (LMS).</li> </ul>				
		<b>Fixed Deposit Lien Marking and Compliance</b>	<ul style="list-style-type: none"> <li>Outline the verification of fixed deposit (FD) details including tenure, principal, and maturity date to ensure accurate lien marking and prevent premature withdrawals.</li> <li>Illustrate the calculation of loan eligibility, typically ranging from 75% to 90% of the FD value, while confirming the borrower's repayment capacity through credit bureau reports.</li> <li>Elucidate the drafting of loan agreements detailing interest rates and foreclosure conditions in compliance with RBI and internal lending policies for audit readiness.</li> </ul>	BSC/N2321, PC15, PC16, PC17, PC18, PC19, PC20, PC21, PC22, KU6			7 Theory (02:00) Practical (05:00)
		<b>Insurance Policy Assignment and Risk Mitigation</b>	<ul style="list-style-type: none"> <li>Describe the verification of insurance policy details like surrender value and sum assured to determine eligibility for loans against traditional life or endowment plans.</li> </ul>	BSC/N2321, PC23, PC24, PC25, PC26, PC27, PC28, PC29, PC30, KU7, KU8, KU9			7 Theory (02:00) Practical (05:00)

SL	Module Name	Session Name	Session Objectives	NOS	Methodology	Training Tools/Aids	Duration (hours)
			<ul style="list-style-type: none"> <li>Illustrate the process of ensuring policy assignability and lien marking in favor of the lender as per IRDAI regulations while monitoring for premium payment lapses.</li> <li>Elucidate the common fraud indicators, such as forged documents or duplicate pledging, and guide customers on the consequences of policy surrender during the loan tenure.</li> </ul>				
<b>Total</b>							<b>Theory 110:00</b>
<b>Employability Skill (DGT/VSQ/N0101)</b>							<b>Practical 90:00</b>
<b>On Job Training (OJT)</b>							<b>60:00</b>
<b>Total Duration</b>							<b>Theory + Practical + OJT + ES = 420:00</b>

## Annexure II

### Assessment Criteria

### CRITERIA FOR ASSESSMENT OF TRAINEES

Assessment Criteria for Credit Processing Officer	
<b>Job Role</b>	<b>Credit Processing Officer</b>
<b>Qualification Pack</b>	<b>MIN/Q2304, V5.0</b>
<b>Sector Skill Council</b>	<b>BFSI</b>

S. No.	Guidelines for Assessment
1	Criteria for assessment for each Qualification will be created by the Sector Skill Council. Each Element/ Performance Criteria (PC) will be assigned marks proportional to its importance in NOS. SSC will also lay down proportion of marks for Theory and Skills Practical for each Element/ PC.
2	The assessment for the theory part will be based on knowledge bank of questions created by the SSC.
3	Assessment will be conducted for all compulsory NOS, and where applicable, on the selected elective/ option NOS/set of NOS.
4	SSC/Individual assessment agencies will create unique question papers for theory part for each candidate at each examination/training center (as per assessment criteria below).
5	SSC/Individual assessment agencies will create unique evaluations for skill practical for every student at each examination/ training center based on these criteria.
6	To pass the Qualification assessment, every trainee should score the Recommended Pass % aggregate for the Qf.
7	In case of unsuccessful completion, the trainee may seek reassessment on the Qualification.

Assessable Outcomes	Assessment Criteria for Outcomes	Marks Allocation		
		Theory	Practical	Viva
<b>BSC/N2313: Verify and process loan applications</b>	Collect and review customer applications and supporting documents	10	20	2
	PC1. collect customer applications from various channels, including customers themselves or bank branches or online portals	2	3	-
	PC2. verify identity and KYC documents such as Aadhaar card, PAN card, voter ID, and passport to ensure compliance with RBI guidelines	1	4	1
	PC3. validate property or collateral documents (for secured loans) by coordinating with legal and valuation teams	2	3	1
	PC4. ensure the completeness of loan applications by cross-checking mandatory fields, missing documents, and discrepancies	2	4	-
	PC5. coordinate with internal teams such as sales executives, loan officers, and risk assessment teams for clarifications and additional requirements	1	3	-
	PC6. record application details in the loan management system (LMS) and generate processing reports for approval	2	3	-
	Check credit history, income proofs, and other eligibility criteria	10	20	4
	PC7. collect and review financial documents such as salary slips, income tax returns, bank statements, and business financials (for self-employed applicants)	2	4	-

<b>BSC/N2314: Ensure compliance with regulatory and internal guidelines</b>	PC8. check credit history and score using reports from CIBIL, Experian, or other credit bureaus to assess repayment behavior and existing liabilities	2	4	1
	PC9. verify employment details through employer verification calls, offer letters, and company credentials, ensuring job stability	2	4	1
	PC10. assess loan eligibility by calculating Debt-to-Income (DTI) ratio, Fixed Obligation to Income Ratio (FOIR), and Loan-to-Value (LTV) ratio as per bank/NBFC norms	2	4	1
	PC11. identify risk factors such as fraudulent documentation, undisclosed debts, or inconsistencies in provided information	2	4	1
	Ensure accuracy and completeness before forwarding for approval	10	20	4
	PC12. review loan application forms to check for missing information, discrepancies, or errors before initiating the verification process	1	3	1
	PC13. cross-check financial statements including salary slips, income tax returns (ITR), bank statements, and Form 16 to assess financial stability and repayment capacity	1	3	-
	PC14. validate collateral documents such as property papers for home loans, land records for LAP, or gold valuation certificates for gold loans	2	3	-
	PC15. authenticate business credentials by evaluating GST returns, profit and loss statements, and audited financial reports for self-employed individuals	2	2	-
	PC16. ensure compliance with RBI and lender-specific guidelines by cross-referencing internal checklists and policy norms	1	3	1
	PC17. coordinate with credit underwriting teams to address discrepancies, request additional documentation, and finalize application processing	1	3	1
	PC18. maintain digital records and data entry in loan management systems (LMS) to ensure transparency and audit readiness	2	3	1
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
	Follow RBI and internal banking policies for loan processing	10	20	2
	PC1. verify loan applications for compliance by cross-checking applicant details, financial documents, and loan eligibility against RBI-mandated standards	2	3	-
	PC2. ensure KYC (Know Your Customer) compliance by validating identity proofs (Aadhaar, PAN, Passport, Voter ID) and verifying address proofs as per RBI norms	1	4	1
	PC3. implement AML (Anti-Money Laundering) checks by screening applicants through databases such as sanction lists and politically exposed persons (PEP) lists	1	3	1
	PC4. assess loan transactions for suspicious activity and flag high-risk cases for further scrutiny in coordination with the risk management team	2	2	-
	PC5. follow fair lending practices by ensuring unbiased loan processing and adherence to responsible lending policies	1	3	-
	PC6. coordinate with compliance and legal teams to address policy updates, process improvements, and any regulatory clarifications	2	3	-
	PC7. ensure data security and confidentiality by handling customer information in compliance with banking cybersecurity protocols and data protection laws	1	2	-
	Verify KYC (Know Your Customer) and AML (Anti-Money Laundering) compliance	10	20	4

	PC8. ensure address verification through utility bills, rental agreements, or bank statements as per KYC norms	2	4	-
	PC9. cross-check customer details with government databases (e.g., UIDAI for Aadhaar, NSDL for PAN) to detect any discrepancies or fraudulent submissions	2	4	1
	PC10. check customer name against watchlists, including RBI defaulters' list, Financial Intelligence Unit (FIU) reports, and sanction lists (OFAC, UNSC) for AML compliance	2	4	1
	PC11. analyze financial transaction patterns to detect suspicious activity that may indicate money laundering, such as sudden high-value transactions or multiple small deposits	1	4	1
	PC12. identify Politically Exposed Persons (PEPs) and conduct enhanced due diligence (EDD) for high-risk applicants	2	2	1
	PC13. report suspicious transactions (STRs) to regulatory authorities as per AML guidelines	1	2	-
	Maintain accurate documentation and audit readiness	10	20	4
	PC14. organize and maintain loan application records by systematically storing physical and digital copies of customer documents, including KYC proofs, income statements, and collateral papers	2	4	1
	PC15. follow RBI and internal banking documentation policies by maintaining up-to-date records of approvals, rejections, and pending applications	2	4	-
	PC16. prepare loan processing reports that capture key verification details, risk assessment findings, and compliance checks for audit purposes	2	4	1
	PC17. ensure adherence to document retention policies by safely storing records as per regulatory requirements for future reference and legal compliance	2	4	1
	PC18. report suspicious activities such as document forgery, mismatched information, or fraudulent applications to the risk management team	2	4	1
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
<b>BSC/N2315:</b> <b>Coordinate with stakeholders for loan approval and disbursement</b>	Liaise with credit officers, risk assessment teams, and banks/NBFCs	10	20	2
	PC1. communicate with credit officers to provide complete loan application details, supporting documents, and eligibility reports for review and approval	2	3	-
	PC2. collaborate with risk assessment teams to address potential risks, verify flagged inconsistencies, and ensure compliance with internal lending policies	1	4	1
	PC3. clarify documentation discrepancies by coordinating with applicants, loan officers, and underwriting teams to collect missing or corrected documents	2	5	1
	PC4. liaise with banks and NBFCs to facilitate loan approvals, negotiate terms, and confirm disbursement timelines	2	2	-
	PC5. track loan application status and follow up with underwriting teams to expedite processing and approval	1	3	-
	PC6. provide necessary justifications for loan approvals or rejections by compiling detailed risk assessment reports and credit history evaluations	2	3	-

	Resolve discrepancies in loan documentation	10	20	4
	PC7. identify inconsistencies in loan applications by reviewing submitted documents for missing information, mismatched details, or discrepancies in financial data	2	2	-
	PC8. cross-verify customer information with internal banking records, credit bureau reports, and official government databases (UIDAI, NSDL, etc.) to detect fraudulent or incorrect submissions	2	4	1
	PC9. coordinate with credit officers and risk assessment teams to validate financial statements, employment records, and collateral details for loan approval	1	4	1
	PC10. ensure compliance with lender policies by verifying whether required documents meet the regulatory and internal documentation standards	1	4	1
	PC11. reconcile property or collateral discrepancies by obtaining legal verification reports, technical valuations, or ownership clarifications	2	2	1
	PC12. resolve underwriting queries by providing clarification on flagged inconsistencies, risk factors, or document authenticity concerns	1	2	-
	PC13. escalate unresolved discrepancies to senior credit managers or fraud investigation teams for further review and risk mitigation	1	2	-
	Assist in sanctioning and disbursing approved loans	10	20	4
	PC14. coordinate with credit officers and underwriters to ensure loan applications meet all approval criteria	2	4	1
	PC15. resolve discrepancies in loan documentation by communicating with applicants, sales teams, and internal departments to obtain missing or corrected documents	2	4	-
	PC16. ensure compliance with sanctioning conditions by cross-checking loan terms, interest rates, repayment tenure, and disbursement schedules before final approval	1	2	1
	PC17. verify final approval from the credit committee or senior management before initiating disbursement procedures	2	4	1
	PC18. liaise with banks, NBFCs, and financial institutions to ensure smooth processing of approved loans and adherence to their disbursement protocols	1	2	1
	PC19. confirm loan agreement signing by ensuring borrowers review and acknowledge loan terms, EMI schedules, and repayment obligations	1	2	-
	PC20. monitor loan disbursement timelines to prevent processing delays and address bottlenecks proactively	1	2	-
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
<b>BSC/N2316: Maintain Customer records and communication</b>	Update loan processing status in banking software	15	30	5
	PC1. enter and update loan application details in the Loan Management System (LMS) or banking software, ensuring accurate record-keeping of customer information, application status, and approval progress	5	10	2
	PC2. track loan application progress by regularly checking system updates from credit officers, underwriters, and disbursement teams	5	10	2
	PC3. flag pending or incomplete applications in the system and initiate follow-ups with internal teams or applicants for missing documents or clarifications	5	10	1
	Notify applicants of their application status	15	30	5

	PC4. generate and send automated notifications via SMS, email, or banking apps to inform applicants about their loan status updates	2	5	1
	PC5. communicate directly with applicants via phone calls or in-person meetings to provide updates on processing timelines, pending documents, or approval decisions	3	5	1
	PC6. address applicant queries regarding loan status by accessing internal records and clarifying processing timelines, disbursement dates, or additional requirements	2	5	1
	PC7. ensure transparency in communication by providing applicants with accurate information about loan terms, interest rates, EMI schedules, and repayment obligations	2	5	1
	PC8. record customer interactions and update logs in the banking system to ensure proper tracking of loan-related communication	3	5	1
	PC9. guide rejected applicants on next steps, including reasons for rejection, reapplication process, or alternative loan products available	3	5	-
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
	Introduction to Employability Skills	1	1	-
	PC1. identify employability skills required for jobs in various industries	-	-	-
	PC2. identify and explore learning and employability portals	-	-	-
<b>DGT/VSQ/N0102: Employability Skills (60 Hours)</b>	Constitutional values – Citizenship	1	1	-
	PC3. recognize the significance of constitutional values, including civic rights and duties, citizenship, responsibility towards society etc. and personal values and ethics such as honesty, integrity, caring and respecting others, etc.	-	-	-
	PC4. follow environmentally sustainable practices	-	-	-
	Becoming a Professional in the 21st Century	2	4	-
	PC5. recognize the significance of 21st Century Skills for employment	-	-	-
	PC6. practice the 21st Century Skills such as Self- Awareness, Behaviour Skills, time management, critical and adaptive thinking, problem-solving, creative thinking, social and cultural awareness, emotional awareness, learning to learn for continuous learning etc. in personal and professional life	-	-	-
	Basic English Skills	2	3	-
	PC7. use basic English for everyday conversation in different contexts, in person and over the telephone	-	-	-
	PC8. read and understand routine information, notes, instructions, mails, letters etc. written in English	-	-	-
	PC9. write short messages, notes, letters, e-mails etc. in English	-	-	-
	Career Development & Goal Setting	1	2	-
	PC10. understand the difference between job and career	-	-	-
	PC11. prepare a career development plan with short- and long-term goals, based on attitude	-	-	-
	Communication Skills	2	2	-
	PC12. follow verbal and non-verbal communication etiquette and active listening techniques in various settings	-	-	-
	PC13. work collaboratively with others in a team	-	-	-
	Diversity & Inclusion	1	2	-
	PC14. communicate and behave appropriately with all genders and PwD	-	-	-

	PC15. escalate any issues related to sexual harassment at workplace according to POSH Act	-	-	-
	Financial and Legal Literacy	2	3	-
	PC16. select financial institutions, products and services as per requirement	-	-	-
	PC17. carry out offline and online financial transactions, safely and securely	-	-	-
	PC18. identify common components of salary and compute income, expenses, taxes, investments etc	-	-	-
	PC19. identify relevant rights and laws and use legal aids to fight against legal exploitation	-	-	-
	Essential Digital Skills	3	4	-
	PC20. operate digital devices and carry out basic internet operations securely and safely	-	-	-
	PC21. use e-mail and social media platforms and virtual collaboration tools to work effectively	-	-	-
	PC22. use basic features of word processor, spreadsheets, and presentations	-	-	-
	Entrepreneurship	2	3	-
	PC23. identify different types of Entrepreneurship and Enterprises and assess opportunities for potential business through research	-	-	-
	PC24. develop a business plan and a work model, considering the 4Ps of Marketing Product, Price, Place and Promotion	-	-	-
	PC25. identify sources of funding, anticipate, and mitigate any financial/ legal hurdles for the potential business opportunity	-	-	-
	Customer Service	1	2	-
	PC26. identify different types of customers	-	-	-
	PC27. identify and respond to customer requests and needs in a professional manner.	-	-	-
	PC28. follow appropriate hygiene and grooming standards	-	-	-
	Getting ready for apprenticeship & Jobs	2	3	-
	PC29. create a professional Curriculum Vitae (Résumé)	-	-	-
	PC30. search for suitable jobs using reliable offline and online sources such as Employment exchange, recruitment agencies, newspapers etc. and job portals, respectively	-	-	-
	PC31. apply to identified job openings using offline/online methods as per requirement	-	-	-
	PC32. answer questions politely, with clarity and confidence, during recruitment and selection	-	-	-
	PC33. identify apprenticeship opportunities and register for it as per guidelines and requirements	-	-	-
	<b>NOS Total</b>	<b>20</b>	<b>30</b>	-
<b>BSC/N2317: Process Home Loan</b>	Evaluate property documents, ownership verification, and legal clearances	10	20	3
	PC1. collect and review property documents submitted by the applicant, including sale deeds, title deeds, property tax receipts, and encumbrance certificates	1	2	-

	PC2. verify property ownership records by cross-checking details with government land registries, municipal authorities, or revenue departments	1	3	-
	PC3. ensure legal clearances by confirming the absence of disputes, pending litigations, or encroachments on the property	1	2	-
	PC4. coordinate with legal teams to validate title ownership, ensure the property has a clear title, and check for any outstanding legal claims	1	3	1
	PC5. assess compliance with local building regulations by verifying approved building plans, occupancy certificates, and land use approvals	2	3	-
	PC6. check for existing mortgages or liens by obtaining a No Objection Certificate (NOC) from housing societies or financial institutions	1	2	-
	PC7. calculate the Loan-to-Value (LTV) ratio based on the property's market value and bank lending norms to determine the eligible loan amount	2	3	1
	PC8. identify potential risks associated with the property, such as unauthorized constructions, missing approvals, or fraudulent property ownership claims	1	2	1
	Assess loan-to-value (LTV) ratio and repayment capacity	10	20	3
	PC9. calculate the Loan-to-Value (LTV) ratio by determining the property's market value through legal and technical valuation reports and comparing it with the requested loan amount	2	4	-
	PC10. assess the applicant's Fixed Obligation to Income Ratio (FOIR) by analyzing existing debts, monthly liabilities, and net disposable income to ensure affordability	2	4	-
	PC11. verify creditworthiness using credit bureau reports (CIBIL, Experian, etc.) to check repayment history, outstanding loans, and default records	2	4	1
	PC12. liaise with legal and technical valuation teams to validate property ownership, encumbrance status, and legal clearances	2	4	1
	PC13. identify high-risk applicants by analyzing irregular income patterns, unstable employment history, or excessive debt burden	2	4	1
	Coordinate with legal and technical valuation teams	10	20	4
	PC14. liaise with legal teams to verify property ownership, title deeds, encumbrance certificates, and ensure the property is free from legal disputes	2	3	1
	PC15. coordinate with technical valuation experts to conduct site inspections, assess property conditions, and determine market valuation as per lender guidelines	2	4	1
	PC16. review legal due diligence reports to confirm compliance with local real estate laws, building approvals, and mortgage eligibility requirements	1	3	-
	PC17. address discrepancies or missing documents by following up with applicants, legal advisors, or valuation officers for necessary clarifications	2	4	-
	PC18. update loan management systems (LMS) with property verification findings, legal clearances, and valuation reports for record-keeping and audit purposes	1	3	1

	PC19. escalate complex legal or valuation issues to senior credit officers or risk assessment teams for expert review	2	3	1
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
<b>BSC/N2318: Process Loan against Property (LAP)</b>	Verify mortgaged property papers and assess risk factors	10	20	3
	PC1. collect and review mortgaged property documents such as sale deeds, title deeds, encumbrance certificates, property tax receipts, and No Objection Certificates (NOC) from housing societies or previous lenders	1	2	-
	PC2. verify property ownership and legal standing by cross-checking land records with municipal authorities, revenue departments, and registered land registries	1	3	1
	PC3. assess property encumbrance status to ensure there are no existing legal claims, pending litigations, or financial liabilities that could impact loan approval	1	3	-
	PC4. evaluate the condition and market value of the property by coordinating with technical valuation experts for site inspections and legal verification teams	1	3	1
	PC5. determine loan eligibility based on Loan-to-Value (LTV) ratio, considering the market value of the property and bank lending norms for secured loans	2	3	-
	PC6. analyze the borrower's repayment capacity by calculating Debt-to-Income (DTI) and Fixed Obligation to Income Ratio (FOIR) using income statements and credit bureau reports	2	3	-
	PC7. identify risk factors such as unauthorized construction, missing approvals, undisclosed loans on the property, or fraudulent ownership claims	2	3	1
	Determine loan eligibility based on collateral value	10	20	3
	PC8. assess the market value of the property by coordinating with technical valuation experts for site inspection, condition assessment, and fair market price estimation	2	6	1
	PC9. calculate the Loan-to-Value (LTV) ratio based on the lender's policy, ensuring the loan amount does not exceed the permissible percentage of the property's market value	3	4	-
	PC10. analyze the applicant's repayment capacity by evaluating their income sources, financial obligations, and creditworthiness using credit bureau reports (CIBIL, Experian, etc.)	2	6	1
	PC11. identify potential risks such as disputed ownership, pending litigations, unauthorized constructions, or encumbrances that could impact loan approval	3	4	1
	Monitor legal and compliance requirements for secured loans	10	20	4
	PC12. ensure legal due diligence by coordinating with legal teams to confirm that the property has no pending litigations, disputes, or unauthorized constructions	2	3	1
	PC13. check compliance with RBI and lender-specific policies for secured loans, ensuring adherence to guidelines on loan-to-value (LTV) ratios and risk assessment	2	4	1
	PC14. confirm mortgage registration requirements by verifying that the property is legally registered under the borrower's name and suitable for collateralization	1	3	-
	PC15. identify potential risks such as unauthorized property modifications, missing approvals, or outstanding loans against the same collateral	2	4	-

	PC16. ensure property insurance coverage as per lender requirements, including fire, disaster, or liability insurance to safeguard the mortgaged asset	1	3	1
	PC17. escalate complex legal issues such as forged property documents or disputed ownership claims to senior credit officers or risk management teams for further review	2	3	1
	<b>NOS Total</b>		<b>30</b>	<b>60</b>
<b>BSC/N2319: Process Gold Loan</b>	Assess gold purity and loan valuation as per market rates	10	20	3
	PC1. inspect and verify gold ornaments or bullion submitted by the applicant to assess eligibility for a gold loan	1	2	-
	PC2. conduct gold purity tests using industry-approved methods such as karat meters, acid tests, or electronic gold testers to determine the purity level (e.g., 18K, 22K, or 24K)	1	3	1
	PC3. weigh the gold accurately using calibrated electronic balances to determine the total loan-eligible weight	1	3	-
	PC4. calculate the loan amount based on the Loan-to-Value (LTV) ratio set by RBI and lender-specific policies, factoring in the purity and net weight of the gold	1	3	1
	PC5. check prevailing gold market rates from reliable sources such as bullion markets or RBI guidelines to ensure accurate loan valuation	1	2	-
	PC6. verify the authenticity of gold by assessing hallmark certifications or conducting additional purity tests if needed	2	3	-
	PC7. identify potential risks of fraud by cross-checking the applicant's documents, analyzing transaction history, and ensuring the gold is free from any financial disputes or legal claims	2	3	1
	PC8. coordinate with vault custodians to ensure secured storage of pledged gold and proper tagging for easy retrieval upon loan closure	1	1	-
	Conduct risk assessment and fraud checks	10	20	3
	PC9. verify customer identity and KYC documents such as Aadhaar, PAN, voter ID, and address proofs to prevent identity fraud	2	2	1
	PC10. cross-check pledged gold items against stolen property databases or internal blacklists to detect fraudulent transactions	2	4	-
	PC11. analyze the applicant's financial background by reviewing CIBIL scores, loan history, and existing liabilities to assess creditworthiness	2	4	1
	PC12. identify potential fraud indicators, such as repeated pledging of the same gold at different lenders, low-purity gold submission, or sudden high-value transactions	2	4	1
	PC13. ensure proper documentation and declaration by recording gold details, borrower consent, and loan terms in compliance with regulatory guidelines	1	2	-
	PC14. monitor gold loan transactions for unusual activity, such as frequent early redemptions or multiple small loans taken in a short time, which may indicate fraudulent intent	1	4	-
	Ensure secured storage and proper documentation	10	20	4
	PC15. verify and record gold item details by documenting weight, purity, and valuation in the Loan Management System (LMS) for tracking and audit purposes	2	3	1
	PC16. ensure secured storage of pledged gold by depositing it in tamper-proof packets, assigning unique identification numbers, and placing it in bank-authorized lockers or vaults	2	4	1

<b>BSC/N2320: Process Personal &amp; Student Loan</b>	PC17. <ul style="list-style-type: none"> <li>implement dual-authentication storage procedures, requiring verification by multiple authorized personnel before accessing stored gold assets</li> </ul>	1	3	-
	PC18. maintain gold loan transaction records, including valuation reports, borrower details, repayment schedules, and collateral details for transparency and regulatory compliance	2	4	-
	PC19. monitor loan tenure and repayment status to track overdue loans and initiate auction or release procedures as per lender policies	1	3	1
	PC20. ensure borrower acknowledgment and agreement by obtaining signed documentation detailing terms of gold storage, interest rates, and loan closure procedures	2	3	1
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
	Evaluate income proofs, credit score, and repayment capacity	10	20	3
	PC1. collect and review income documents such as salary slips, bank statements, Form 16, Income Tax Returns (ITR), and business financials (for self-employed applicants) to assess financial stability	1	2	-
	PC2. verify employment status and job stability by cross-checking employer details, offer letters, and experience certificates for salaried applicants	1	3	1
	PC3. assess creditworthiness using credit bureau reports (CIBIL, Experian, Equifax) to analyze repayment history, outstanding loans, and default risks	1	3	-
	PC4. calculate Fixed Obligation to Income Ratio (FOIR) and Debt-to-Income (DTI) ratio to determine the applicant's ability to repay the loan	1	3	1
	PC5. review co-borrower or guarantor financials, ensuring their income and credit profile meet the lender's eligibility requirements	1	2	-
	PC6. validate alternative income sources, including rental income, freelance earnings, or investments, to determine overall repayment capacity	2	3	-
	PC7. identify high-risk applicants by analyzing irregular income patterns, multiple loan inquiries, or past repayment delinquencies	2	3	1
	PC8. ensure compliance with lender-specific and RBI guidelines on loan eligibility criteria, documentation, and risk assessment	1	1	-
	Review co-borrower/guarantor details	10	20	3
	PC9. verify the identity and financial background of the co-borrower/guarantor by checking KYC documents such as Aadhaar, PAN, voter ID, and address proof	2	2	1
	PC10. assess the co-borrower's income stability by reviewing salary slips, bank statements, and income tax returns to ensure they can support loan repayment if required	2	4	-
	PC11. check the creditworthiness of the guarantor by analyzing their CIBIL or other credit bureau reports to evaluate repayment history, outstanding loans, and potential risk factors	2	2	1
	PC12. ensure the co-borrower/guarantor meets lender eligibility criteria, including minimum income thresholds, employment stability, and age requirements	1	4	1

	PC13. cross-verify financial obligations to assess the co-borrower's existing liabilities and ensure they are capable of taking on additional financial responsibility	1	2	-
	PC14. confirm the relationship between the primary applicant and the co-borrower/guarantor, ensuring it aligns with the lender's policies (e.g., parents for student loans, spouse for personal loans)	1	4	-
	PC15. validate co-borrower/guarantor consent and agreement by obtaining signed declarations and verifying their acknowledgment of repayment responsibilities	1	2	-
	Validate educational institute verification for student loans	10	20	4
	PC16. verify admission details by cross-checking the applicant's enrollment letter, fee structure, and course duration with the educational institute	1	3	1
	PC17. authenticate the institute's accreditation status by checking regulatory approvals from recognized bodies such as UGC, AICTE, or international accreditation agencies	2	2	1
	PC18. confirm fee payment schedules by reviewing official fee structures and ensuring loan disbursements align with the institute's requirements	1	3	-
	PC19. communicate with institute representatives to verify student enrollment, course continuity, and any pending academic requirements that may impact loan eligibility	1	2	-
	PC20. review co-borrower or guarantor details to ensure financial backing and repayment security in case the primary applicant lacks sufficient income or credit history	1	3	1
	PC21. identify potential risks such as fraudulent admission documents, unrecognized institutes, or misleading fee structures that could affect loan approval	2	3	1
	PC22. update loan management systems (LMS) with verification findings, approval status, and institute confirmation records for future reference	1	2	-
	PC23. escalate discrepancies or suspicious cases to senior credit officers or risk management teams for further investigation	1	2	-
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
<b>BSC/N2321: Process Secured and Unsecured Asset-Backed Loans</b>	Process vehicle loans	7	15	2
	PC1. collect and verify loan applications by ensuring all mandatory details, supporting documents, and applicant signatures are provided	1	2	-
	PC2. assess applicant eligibility by reviewing income proofs, employment status, credit history, and repayment capacity as per lender guidelines	1	2	-
	PC3. verify vehicle details by cross-checking registration certificates (RC), insurance documents, proforma invoices (for new vehicles), and hypothecation status	1	3	1
	PC4. calculate the Loan-to-Value (LTV) ratio based on the market value of the vehicle and lender-specific policies	1	2	1
	PC5. coordinate with dealerships and valuation teams to authenticate the purchase price, vehicle condition (for used vehicles), and ownership details	1	2	-

PC6. communicate loan approval, terms, and repayment schedule to the applicant and guide them through loan agreement signing	1	2	-
PC7. track loan processing status in the Loan Management System (LMS) and ensure timely approvals and disbursements	1	2	-
Process loan against securities	7	15	2
PC8. verify the type and value of securities pledged by reviewing demat account statements, mutual fund holdings, bonds, or shares submitted by the applicant	1	2	-
PC9. assess loan eligibility based on the Loan-to-Value (LTV) ratio, ensuring the loan amount aligns with the market value of the pledged securities as per lender policies	1	2	-
PC10. check the liquidity and risk profile of the securities, ensuring they are approved by the lender and meet regulatory guidelines	1	2	1
PC11. validate applicant identity and KYC compliance, including PAN, Aadhaar, and proof of ownership of the pledged securities	1	2	-
PC12. monitor security price fluctuations and apply margin calls if the value of pledged securities drops below the lender's required threshold	1	2	-
PC13. ensure compliance with RBI and SEBI guidelines regarding loans against securities, including risk assessment, lien marking, and disbursement procedures	1	2	1
PC14. maintain loan records in the Loan Management System (LMS), tracking disbursed amounts, repayments, and pledged asset performance	1	3	-
Process loan against fixed deposits	8	15	3
PC15. verify the fixed deposit (FD) details by checking the deposit account number, tenure, principal amount, and maturity date in the bank's system	1	2	-
PC16. ensure lien marking on the fixed deposit to secure the loan, preventing premature withdrawal without lender approval	1	1	-
PC17. assess loan eligibility by calculating the Loan-to-Value (LTV) ratio as per bank/NBFC policies, typically ranging from 75% to 90% of the FD value	1	2	1
PC18. check customer KYC compliance by verifying identity proofs, PAN, and address proof to ensure regulatory adherence	1	2	-
PC19. confirm borrower's repayment capacity by reviewing existing financial obligations and credit history through credit bureau reports (CIBIL, Experian, etc.)	1	2	-
PC20. draft the loan agreement and terms detailing interest rates (often a few percentage points higher than the FD rate), repayment schedule, and foreclosure conditions	1	2	1
PC21. monitor loan repayment and FD maturity status to ensure timely settlement, automatic adjustments, or rollovers as per customer instructions	1	2	1
PC22. ensure compliance with RBI and internal lending policies by following proper documentation, lien release procedures, and maintaining audit-ready records	1	2	-
Process loan again insurance	8	15	3

	PC23. verify the insurance policy details by checking the policyholder's name, sum assured, policy term, and surrender value to determine eligibility for a loan against insurance	1	2	1
	PC24. ensure policy assignability by confirming that the insurance policy allows assignment or lien marking in favor of the lender as per IRDAI regulations	1	2	-
	PC25. assess the loan amount eligibility by calculating the Loan-to-Value (LTV) ratio based on the surrender value or maturity benefits of the policy	1	2	-
	PC26. check premium payment history to ensure the policy is active, has no lapses, and meets the lender's eligibility criteria	1	2	-
	PC27. obtain necessary documents such as policy bond, latest premium receipts, KYC documents, and bank statements for verification	1	1	1
	PC28. update loan management systems (LMS) with policy verification details, lien marking status, and approved loan amount	1	2	1
	PC29. monitor policy status during the loan tenure to ensure continued premium payments and initiate risk mitigation in case of default or policy lapse	1	2	-
	PC30. guide customers on repayment terms, lien release process, and consequences of policy surrender during the loan tenure	1	2	-
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>
	Conduct initial loan application assessment	10	20	3
	PC1. scrutinize submitted loan applications for completeness, accuracy, and eligibility based on product guidelines.	1	4	-
	PC2. verify KYC documents such as Aadhaar, PAN, Voter ID, and address proof in accordance with regulatory norms.	1	3	1
<b>BSC/N2322: Process Vehicle Loans</b>	PC3. match vehicle loan eligibility with income documentation such as salary slips, bank statements, or ITRs.	2	3	-
	PC4. ensure the application meets criteria like age, employment type, credit history, and minimum income threshold.	2	3	1
	PC5. flag discrepancies or missing information in the application and coordinate with the channel partner or applicant for resolution.	2	4	1
	PC6. record application details accurately in the loan management system (LMS) or core banking platform.	2	3	-
	Evaluate creditworthiness and risk parameters	12	22	5
	PC7. retrieve and review credit reports from CIBIL, Experian, or other bureaus for credit score, repayment history, and defaults.	2	3	1
	PC8. apply credit score cut-offs and internal scoring criteria for profile segmentation (prime, subprime, etc.).	1	3	-
	PC9. analyze applicant's repayment capacity using FOIR (Fixed Obligation to Income Ratio) and DTI (Debt to Income) calculations.	2	4	1
	PC10. validate ownership and insurance documents of the vehicle, if re-financing or used vehicle loan is involved.	2	3	1
	PC11. assess co-applicant or guarantor credentials and include in the credit evaluation process as applicable.	2	3	1
	PC12. identify high-risk indicators like frequent job changes, address instability, or unverifiable references.	1	3	-

	PC13. escalate cases requiring deviation approvals or policy exceptions to the appropriate credit authority.	2	3	1
	Process loan against fixed deposits	8	18	2
	PC14. forward completed application and appraisal report to credit officer/sanctioning authority for decisioning.	2	3	-
	PC15. communicate sanction/rejection terms to internal teams, channel partners, and the customer.	-	3	1
	PC16. confirm that vehicle-related documents like invoice, insurance, and RC copy are in order before disbursal.	1	3	1
	PC17. initiate disbursal request post-verification of sanction conditions, margin payment, and documentation compliance.	2	3	-
	PC18. ensure processing of ECS/NACH mandates or post-dated cheques (PDCs) for EMI repayments.	1	3	-
	PC19. maintain audit trail of application documents, credit assessment, approvals, and disbursal memos for compliance.	2	3	-
	<b>NOS Total</b>	<b>30</b>	<b>60</b>	<b>10</b>

## Annexure III

### List of QR Codes Used in PHB

Module No.	Unit No.	Topic Name	Page No. in PHB	URL	QR Code (s)
<b>Module 1: Introduction to the Banking Sector and the Job Role of Credit Processing Officer (BSC/N2313)</b>	Unit 1.1 Overview of Skill India Mission and Career Opportunities in the Banking Industry	1.1.2 Meaning and Importance of the Indian Banking Sector	13	<a href="https://youtu.be/-jw0qwgLobi8?si=YnAuVEt4lsFkZZdo">https://youtu.be/-jw0qwgLobi8?si=YnAuVEt4lsFkZZdo</a>	 Indian Banking Structure
		1.1.4 Basic Banking Terminologies	13	<a href="https://youtu.be/-CkNwe-RdB-mY?si=ZbJsQpzor45EvJhL">https://youtu.be/-CkNwe-RdB-mY?si=ZbJsQpzor45EvJhL</a>	 Top Banking Terms Every Aspirant Must Know
<b>Module 2: Verify and Process Loan Applications (BSC/N2313)</b>	Unit 2.1 Loan Application Review and Credit Eligibility Assessment	2.1.4 Credit History, Credit Scores and Credit Bureau Reports	41	<a href="https://youtu.be/-71iaNlsk-Cc0?si=bF8o7-k_CkhxXQ8b">https://youtu.be/-71iaNlsk-Cc0?si=bF8o7-k_CkhxXQ8b</a>	 Credit Scores and Reports 101 (Credit Card and Loan Basics 2/3)
		2.1.3 Examination of Financial Documents to Assess Income and Financial Stability	41	<a href="https://youtu.be/-8NeIYFn-07jg?si=7skM50Qzt8ZZyCr">https://youtu.be/-8NeIYFn-07jg?si=7skM50Qzt8ZZyCr</a>	 How to do Financial Analysis of a Company ?
		2.2.1 Difference Between Secured and Unsecured Loans and Validating Collateral Documents	41	<a href="https://youtu.be/-BJTPZ-PuohLE?si=DuGcXknrPOVOTCAC">https://youtu.be/-BJTPZ-PuohLE?si=DuGcXknrPOVOTCAC</a>	 Secured Loans vs Unsecured Loans

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<b>Module 3: Ensure Compliance with Regulatory and Internal Guidelines (BSC/N2314)</b>	Unit 2.2 Loan Risk Evaluation and Processing Operations	2.2.4 Roles and Coordination of Internal Teams in Loan Processing	41	<a href="https://youtu.be/-xHrsIGo_G8I-?si=FlwEQPNWZZtCvuyL">https://youtu.be/-xHrsIGo_G8I-?si=FlwEQPNWZZtCvuyL</a>	 Job description of Loan Processor - Role, Responsibilities & Skills
	Unit 3.1 Regulatory Compliance and Due Diligence in Loan Processing	3.1.1 RBI Guidelines and Internal Banking Policies for Compliant Loan Processing	70	<a href="https://youtu.be/-bK-mWvWIGNo-?si=oubVIL-JwAm64EqhT">https://youtu.be/-bK-mWvWIGNo-?si=oubVIL-JwAm64EqhT</a>	 RBI Regulations 2025
	Unit 3.2 AML Compliance and Risk Monitoring in Loan Processing	3.2.3 Suspicious Transactions (STRs) in Accordance with AML Procedures	70	<a href="https://youtu.be/-7KNqJtXMZWO-?si=XtDJpYPfCCHXr5w4">https://youtu.be/-7KNqJtXMZWO-?si=XtDJpYPfCCHXr5w4</a>	 Suspicious Transaction Report In Bank
<b>Module 4: Coordinate with Stakeholders for Loan Approval and Disbursement (BSC/N2315)</b>	Unit 4.1 Loan Processing, Documentation, and Risk Assessment	4.1.1 Roles and Responsibilities of Credit Officers, Risk Assessment Teams, and Financial Institutions	102	<a href="https://youtu.be/-u6esq-o_U70-?si=IOJOSTauDCs-DmXyC">https://youtu.be/-u6esq-o_U70-?si=IOJOSTauDCs-DmXyC</a>	 Job description of Credit Officer - Role, Responsibilities & Skills
	Unit 4.2 Loan Application Review, Verification, and Decision-Making Process	4.2.7 Loan Agreements, EMI Structures, Repayment Terms, and Sanctioning Procedures	102	<a href="https://youtu.be/-wTJX-bHYzSql-?si=E-rUtQ5r-Dd7m-3KC0">https://youtu.be/-wTJX-bHYzSql-?si=E-rUtQ5r-Dd7m-3KC0</a>	 Term Loan - Process, Interest Rates, EMI Calculation, Appraisal

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	Unit 5.2: Practical Loan Verification, Customer Interaction, and Disbursement	5.2.7 Different Types of Loan Agreement	131	<a href="https://youtu.be/_ol34ex-mG20-?si=XqMiiUog7-E1kdv13">https://youtu.be/_ol34ex-mG20-?si=XqMiiUog7-E1kdv13</a>	 Types of Loans in India
<b>Module 7: Process Home Loan (BSC/N2317)</b>	Unit 7.1 Property and Credit Risk Assessment in Loan Processing	7.1.3 Loan-to-Value (LTV) Ratio and Property Valuation Methods	159	<a href="https://youtu.be/-xVBzjCSj-va8-?si=R5dcCkkv1kdzP0eV">https://youtu.be/-xVBzjCSj-va8-?si=R5dcCkkv1kdzP0eV</a>	 Loan to Value (LTV Ratio)
	Unit 7.2 Practical Credit Appraisal, Risk Assessment & LMS Coordination Activities	7.2.6 Coordination, Documentation, and Risk Escalation in Credit Processing	159	<a href="https://youtu.be/-b6mOUaZx-ZuE-?si=MsYZR6tX2rBet15_">https://youtu.be/-b6mOUaZx-ZuE-?si=MsYZR6tX2rBet15_</a>	 Understanding the basics in credit
<b>Module 8: Process Loan against Property (LAP) (BSC/N2318)</b>	Unit 8.1 Property Document Verification & Legal Due Diligence	8.1.5 Analysis of Legal Due Diligence Reports for Secured Lending	187	<a href="https://youtu.be/-AEJugk-C18og-?si=st3gUyA4-IHbiloI">https://youtu.be/-AEJugk-C18og-?si=st3gUyA4-IHbiloI</a>	 What's Inside a Legal Due Diligence Report

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	Unit 8.3 Risk Assessment, Compliance & Loan Processing Simulation	8.3.2 Assessment of Compliance with RBI Guidelines and Lender Policies	187	<a href="https://youtu.be/-rf0zMGNQa-TU-?si=DrTwkR3tT5fZJ4IE">https://youtu.be/-rf0zMGNQa-TU-?si=DrTwkR3tT5fZJ4IE</a>	 RBI Regulations on BNPL
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	Unit 9.2 Risk Assessment, Fraud Detection, Secure Storage & Loan Monitoring	9.2.2 Importance of Verifying KYC documents	221	<a href="https://youtu.be/-oUIQmSzZT-gM-?si=uFgMvK2KvVHyZVr1">https://youtu.be/-oUIQmSzZT-gM-?si=uFgMvK2KvVHyZVr1</a>	 Know Your Customer (KYC) Explained
<b>Module 10: Process Personal &amp; Student Loan (BSC/N2320)</b>	Unit 10.1 Income, Creditworthiness & Risk Assessment	10.1.4 Credit Bureau Reports for Creditworthiness Analysis	240	<a href="https://youtu.be/-ze8Z1RbfX-KU-?si=pyWtYyHiqN-bR2Gk">https://youtu.be/-ze8Z1RbfX-KU-?si=pyWtYyHiqN-bR2Gk</a>	 How to Analyze a Credit Report

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	Unit 10.2: Co-Borrower, Guarantor, Education Loan Verification & LMS Handling	10.2.6 Use of Loan Management System (LMS) for Tracking and Reporting	240	<a href="https://youtu.be/-ly8D5Wy-DWzw-?si=AMb-iNYiWEd-PoH9">https://youtu.be/-ly8D5Wy-DWzw-?si=AMb-iNYiWEd-PoH9</a>	 LOAN MANAGEMENT SYSTEM IN BANKS
<b>Module 11: Process Secured and Unsecured Asset-Backed Loans (BSC/N2321)</b>	Unit 11.1: Documentation and Eligibility Assessment for Secured Loans	11.1.3 Importance of KYC Compliance	262	<a href="https://youtu.be/-zC-46mEd1DfQ-?si=-Yzrk052Afx-3kLcA">https://youtu.be/-zC-46mEd1DfQ-?si=-Yzrk052Afx-3kLcA</a>	 IoT Devices and Solutions Used in Agriculture
<b>Module 12: Process Vehicle Loans (BSC/N2322)</b>	Unit 12.1 Vehicle Loan Application and Eligibility Assessment	12.1.5 Interpretation and Analysis of Credit Bureau Reports	290	<a href="https://youtu.be/-IDGxX19X-u0g-?si=RQ67IR9cMqC6F9rb">https://youtu.be/-IDGxX19X-u0g-?si=RQ67IR9cMqC6F9rb</a>	 Credit Report 101: A Beginner's Guide to Reading & Disputing!
	Unit 12.3: Loan Approval, Disbursal, and Post-Processing	12.3.1 Use of Digital Platforms for Loan Application Management	290	<a href="https://youtu.be/-mhtT04R-jpX0-?si=Ju5kEQ5wX5b1tEHV">https://youtu.be/-mhtT04R-jpX0-?si=Ju5kEQ5wX5b1tEHV</a>	 Digital Loan Offers Management







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