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Board Minute No; 28

Date 28th August 2020



CREDIT ADMINISTRATION DEPARTMENT POLICY & PROCEDURES MANUAL

Approved by the Board of Directors at their meeting held on 28th August 2020

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A. OBJECTIVE

The Manual has been developed with the prime objective to provide directional guidelines to all credit administration related stakeholders that will improve the risk management culture, and assist in the ongoing improvement of the credit administration function at Lanka Credit and Business Finance Ltd., (LCB Finance) while achieving excellence of services to our customers. The Credit Administration Department (CAD) shall function under the preview of the Senior Deputy General Manager

Summary

- To ensure that effective prudent practices are followed which will contribute towards the achievement of the overall objectives and correlate with the Company's vision.
- Ensuring compliance to the regulatory framework set out by the Central Bank of Sri Lanka so that Company's credit decisions remain aligned with the regulatory requirements and the framework.
- To ensure maintenance of quality credit portfolio of the company and to travel towards this end, what corrective measures should be imposed on timely basis.
- To form the platform for continuous upgrading of knowledge to the existing and new staff aligned to Company's Credit and related Policies and Procedures of the company.

B. MAINTENANCE

- Updates & Modifications of this manual by the credit Administration Department (CAD) unit would be an ongoing process, but subject to total review every two years or as per changes in the Company's Policy. Essential changes would be prioritized as post facto amendment
- Review & Approval –The Manual will be reviewed by CAD, Head Office Credit Committee, Board Credit Committee, and approved by the Board.
- Custody - This is the property of the company and photocopying or reproducing of the contents for other than company's use is prohibited.

C. RESPONSIBILITIES OF CREDIT ADMINISTRATION DEPARTMENT

Credit administration is a critical element in maintaining the safety and soundness of Lending by the company. Once a credit is granted, it is the responsibility of the business unit, often in conjunction with a credit administration support team, to ensure that the credit policy and procedures are duly adopted.

Main responsibilities: -

1. Documentation

- a. Ensure that standard loan documentation is in place for each credit facility, prior to disbursement.
- b. If documentation requirements are different from the Company's standard approved format, Legal officer's approval should be obtained for the changes along with approval from the facility approving authorities.
- c. Ensure that the documentation is correct, complete, and corresponds with the approved facilities (i.e, the blank spaces are filled, documents are dated, signed and stamped, the signer is authorized to execute such documents, signatures are verified etc.)
- d. Act as custodian for legal borrowing documentation, lodging the documents in the vault, and maintaining proper records as per the Company's operating procedure.

2. Facility Implementation and maintenance

- a. Disburse credit facilities in accordance with the terms of the credit approval, and ensure prompt input of this to the system, on completion of all requirements.
- b. On the instructions of the Relationship Managers/Branch Manager, allocate facility limits to other extending units and monitor such allocated limits.
- c. Follow up with Relationship Managers/Branch Managers for repayment of maturing advances and liquidation of temporary overdrafts by the due dates.
- d. Ensure that approval gaps do not arise.
- e. Substantive credit limits approved are renewed on or before the due date for renewal.

3. Management Information

- a. Prepare various portfolio composition reports
- b. Prepare various exception reports, etc., for submission to business units and senior management.

1. DOCUMENTATION

It is the Company's policy to obtain complete, legally executed documentation from customers, prior to extension of credit. The responsibility for obtaining complete documentation from customers lies with the respective Assistant Manager / Branch Managers, whereas, it is the Credit Administration department's responsibility to provide them with the requisite documents/formats for execution by the customer.

When accepting documentation from customers, the Credit Officer/Assistant Manager /Branch Managers must ensure that documents are prepared as per the Company's (approved) standard forms, and check for completeness and enforceability. Where documentation is incomplete, or any discrepancies exist, the Credit Administration Department (CAD) is responsible to seek rectification prior to disbursement.

In extreme circumstances, and then only as an exception, deferral/waiver may be requested from SDGM or CEO/. Executive Director.

While extending credit it is important that the corporate status/structure of the customer should be clearly established. The corporate status/structure of the borrower determines what security/collateral and documentation is required to secure the finances.

Listed below, are the standard documentation requirements for different types of borrowers.

ENTITY	DOCUMENTS
Sole Proprietary	Concern Certified copy of Business Registration
Partnership	Certified copy of Business Registration
Ltd Liability Company Private/Public	<ul style="list-style-type: none"> • Certified copy of Certificate of Incorporation (If not obtain at the time of opening the account) • Certificate to commence Business (If not obtain at the time of opening the account) • Certified copy of the Articles of Association & Certified copy of list of Directors (Form 20) to ascertained <ul style="list-style-type: none"> – Purpose of Borrowing falls within primary objects of the company – Adequacy of borrowing powers – Authority to offer security. • Certified copy of Resolution adopted by the Board of Directors of the company authorizing borrowing and pledge of security obtained.

Statutory Bodies such as Govt. Corporations, Boards etc.	<ul style="list-style-type: none"> • A copy of the Act of Parliament setting up the Statutory Corporations, Boards etc. Body • Gazette notification naming Officers of the Statutory Body. • Certified copy of Resolution adopted by the Authorized Officers of the Statutory Body authorizing the specific borrowing & pledge of security obtained. • Approval from Secretary to Treasury
Association/Societies /Clubs	<ul style="list-style-type: none"> • Certified copy of Rules and Regulations of the Association/Society/Club obtained and borrowing powers of Committee/authority to pledge security verified • Certified extracts of the minutes of the previous General Meeting at which existing Office Bearers were elected and verified to ascertain validity of Office bearer positions. • Certified extracts of minutes of Committee Meeting which authorized the specific borrowing and pledge of security obtained

Listed below, are the standard documentation requirements for different types of security.

1.1 Immovable Property – Free hold

		Responsible Officer	Lodged and follow up by
1	Offer letter signed & accepted by the customer (signature verified)	Credit Administration	Credit Administration
2	Signed Terms and conditions (signature verified)		
3	Receipt (signature verified - Only for individual clients)		
4	Valuation Report		
5	Property Inspection Report		
6	Title Report / Title Insurance - if Applicable		
7	Confirmation of execution of mortgage bond from Legal department		
8	DTAP - If applicable		
	Original Insurance Policy document over buildings in immovable property mortgaged against the risks of fire, riot, strike, malicious damage, explosion & terrorism etc. assigned in favour of the Company.		
9	Original Title Deeds	Legal Department.	Credit Administration
10	Original Survey plan		
11	Certified extracts of encumbrances		
12	Local authority certificates - Street line		
	Non vesting		
	Certificate of Ownership		
	Original or Certified Photocopy of assessment notice & rate payment receipt.		
13	Building Plan		
14	Certificate of Conformity		
15	Letter of consent from the occupant of the property to make available the vacant position(if applicable)		
16	Photocopy of the Mortgage bond correctly stamped & letter forwarded for the registration		
17	Acknowledgement receipt obtained from Land registry on tendering mortgage bond for registration.		
18	Original Mortgage Bond received after registration at Land registry		

1.2 Immovable Property – Leasehold

		Responsible Officer	Lodged and follow up by
1	Offer letter signed & accepted by the customer (signature verified)	Credit Administration	Credit Administration
2	Signed Terms and conditions (signature verified)		
3	Receipt (signature verified - Only for individual clients)		
4	Valuation Report		
5	Property Inspection Report		
7	Confirmation of execution of mortgage bond from Legal department		
8	Acceptable Title Report/Title Insurance obtained.		
9	Original Insurance Policy document over buildings in immovable property mortgaged against the risks of fire, riot, strike, malicious damage, explosion & terrorism etc assigned in favour of the Company.		
10	Lease Agreement/Survey Plan obtained and examined by Lawyers and recommended as acceptable	Legal Department	Credit Administration
11	Local authority Certificates regarding Street Line/Ownership, Assessment Notice & Non- Vesting Certificate		
12	Certified copy of receipt of lease		
13	Tripartite Agreement signed. (In case of BOI properties)		
14	Necessary consent/ approval obtained from the relevant authority prior to obtaining a mortgage of the unexpired period of the validity of the leasehold rights over property		
15	Certificate of Conformity (COC) obtained. (in respect of new construction financed)		
16	Acknowledgement/Receipt obtained from Land Registry on tendering Mortgage Bond for registration		
17	Original Mortgage Bond received after registration at Land registry		

1.3 Personal Guarantees

		Responsible Officer	Lodged and follow up by
1	Approval paper	Credit Administration	Credit Administration
2	Offer letter signed & accepted by the customer (signature verified)		
3	Signed Terms and conditions (signature verified)		
4	Receipt (signature verified - Only for individual clients)		
5	Assets declaration obtained from all guarantors		
6	Guarantee Bond (Separate Guarantee Bond for each Guarantor Duly signed, witnessed & initialed)		

1.4 Corporate Guarantees

		Responsible Officer	Lodged and follow up by
1	Approval paper	Credit Administration	Credit Administration
2	Offer letter signed & accepted by the customer (signature verified)		
3	Signed Terms and conditions (signature verified)		
4	Receipt (signature verified - Only for individual clients)		
5	Certified copy of Memorandum & Articles of Association of the Company extending the Corporate Guarantee verified to ascertain that it has power to do so, in the ordinary course of business		
6	Certified copy of Resolution adopted by the Board of Directors of the Company extending the Corporate Guarantee authorizing the execution of the Corporate Guarantee.		
7	Duly executed Guarantee Bond		

1.5 Cash

		Responsible Officer	Lodged and follow up by
1	Cash back application form - Personal customers Approval paper	Credit Administration	Credit Administration
2	Offer letter signed & accepted by the customer (signature verified) - Business Banking customers		
3	Signed Terms and conditions (signature verified)		
4	Letter of set-off -Business Banking customers / 3 rd party deposits		
5	Original Deposit Receipt with the placement of the lien seal - Fixed deposit		

1.6 Motor vehicle

		Responsible Officer	Lodged and follow up by
1	Approval paper	Credit Administration	Credit Administration
2	Offer letter signed by the customer (signature verified)		
3	Signed Terms and conditions (signature verified)		
4	Receipt (signature verified - Only for individual clients)		
5	Copy of the Delivery Order		
6	Valuation Report		
	6.1 - Brand New - Invoice given by the Dealer		
	6.2 - Recondition - Valuation Report obtained from an independent Automobile Inspection Authority		
	6.3 - Registered- Valuation Report obtained from an independent Automobile Inspection Authority		
7	Internal Inspection report (If applicable)		
8	Original Certification of Registration.		
9	A comprehensive Vehicle Insurance Policy		
10	Original luxury tax payment receipts (If applicable)		
11	Original Mortgage Bond received after registration at Land registry		

1.7 Movable Machinery

		Responsible Officer	Lodged and follow up by
1	Approval paper	Branch	Credit Administration
2	Offer letter signed and accepted by the customer (signature verified)		
3	Signed Terms and conditions (signature verified)		
4	Certified list of machinery with the details of Make, Model and Serial Nos.		
5	Affidavit regarding ownership of machinery.		
6	Internal Inspection Report.		
7	Official Valuation Report from Bank approved Machinery Valuer		
8	Original Insurance Policy document over stocks assigned in Company's favour covering risks of a) Fire, Riot, Strike, Malicious Damage, Explosion & Terrorism b) Burglary & Housebreaking		
9	Acknowledgement/Receipt obtained from Land Registry on tendering of Mortgage Bond for registration.		
10	Original Mortgage Bond after registration at Land Registry		

1.8 Fixed Machinery or Permanently Fastened Machinery -If the machinery to be offered as security are of a fixed nature i.e, they have to be permanently fixed to the ground, then the immovable property/buildings to which they are fixed have to be mortgaged in addition to the machinery. This is due to the legal interpretation that whatsoever that is part of the soil gets attached to it. Therefore, when taking fixed machinery as security, the same process applicable to taking a mortgage over immovable property has to be followed. In addition, the following documents should be obtained.

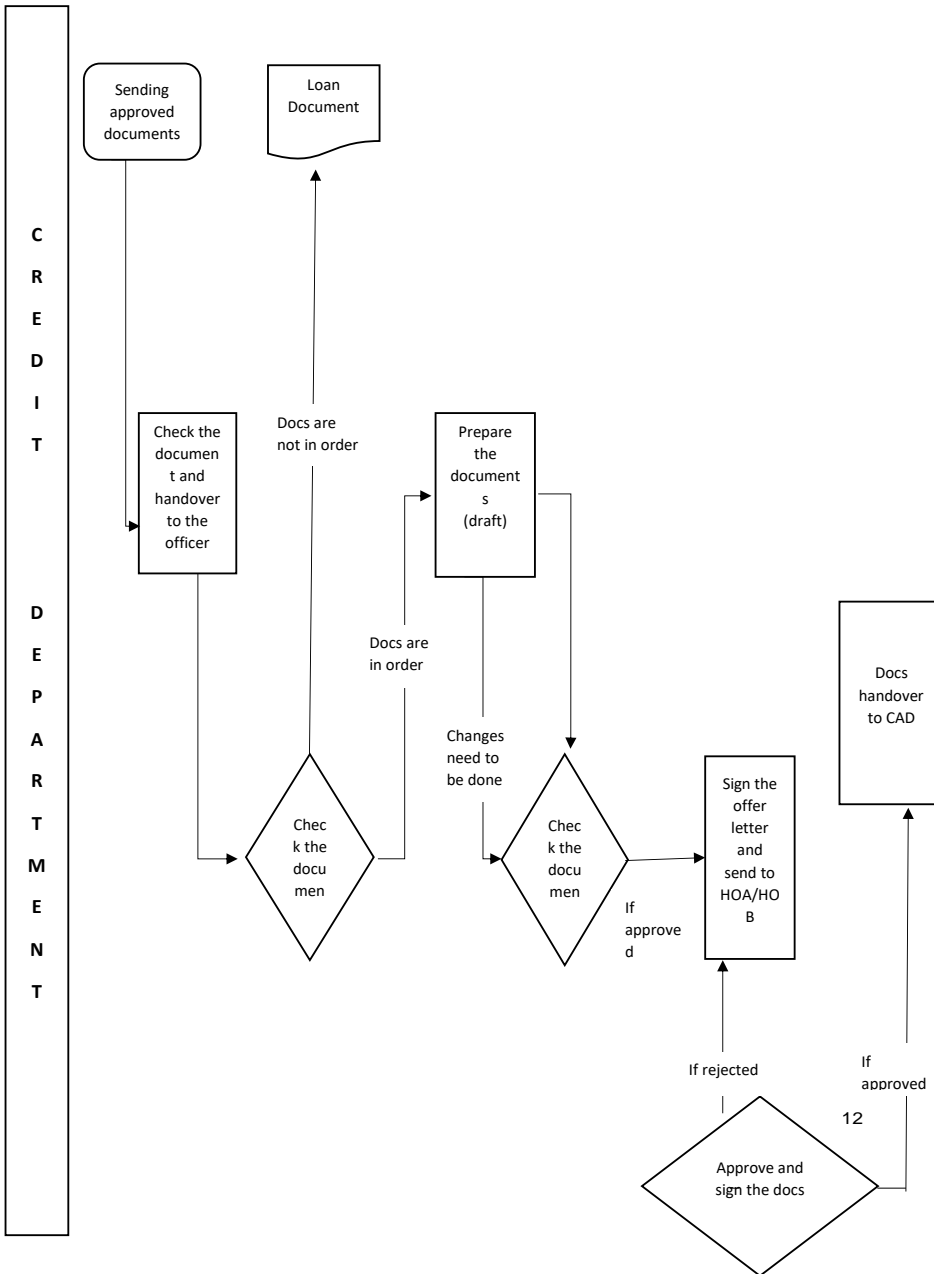
		Responsible Officer	Lodged and follow up by
1	Approval paper	Legal Department	Credit Administration
2	Offer letter signed by the customer (signature verified)		
3	Signed Terms and conditions (signature verified)		
4	Certified list of machinery with the details of Make, Model and Serial Nos		
5	Affidavit regarding ownership of machinery.		
6	Internal Inspection Report.		
7	Official Valuation Report from Company approved Machinery Valuer.		
8	Original Insurance Policy documents over machinery assigned in Company's favour available covering risks of Fire, Riots, Strike, Malicious Damage, Explosion & Terrorism.		

1.9 Stocks / Book debts (Mortgage) - Generally when stocks are taken as security, book debts should also be included as part of same to ensure that proceeds of credit sales of stocks remain assigned to the company.

		Responsible Officer	Lodged and follow up by
1	Approval paper	Credit Administration	Credit Administration
2	Offer letter signed and accepted by the customer (signature verified)		
3	Signed Terms and conditions (signature verified)		
4	Certified list of Stocks & breakdown of outstanding book debts at the time of approving the facility and end of each month thereafter.		
5	Affidavit regarding stock		
6	Report of Internal stock inspection and examination of book debts carried out at time of approving facility and once in 3 months thereafter		
7	Original Insurance Policy document over stocks assigned in Company's favour covering risks of a) Fire, Riot, Strike, Malicious Damage, Explosion & Terrorism b) Burglary & Housebreaking		
8	Acknowledgement/Receipt obtained from Land Registry on tendering Original Mortgage Bond for Registration		
9	Original Mortgage Bond received after registration at Land Registry		
10	Counterpart Original Mortgage Bond stamped for Rs 1/- forwarded to the Registrar of Companies for registration		
11	Counterpart Original Mortgage Bond stamped for Rs 1/- forwarded to the Registrar of Companies for registration		

2.0 Preparation of Documents

2.1 Document Preparation Workflow



2.2 Preparation of documents is one of the important functions of the Credit Administration. Workflow of the document preparation is as follows.

1. Duly approved file is received by the Credit Administration Department (CAD) responsible for preparation of documentation.
 2. On receipt of approved file "received date stamp with time" should be placed by designated authority.
 3. Details of the loan will be updated in the tracker.
 4. Following part of the Check List (verification) is to be completed.
 - I. Approval is within the delegated authority
 - II. Policy Deviation
 - III. Conditions and Exception compiled or approved
 5. Draft 'letter of offer' (LOF) will be prepared and given to the officer along with approval file and checklist for the approval.
 6. On approval of the draft LOF by the officer, final letter of offer (in duplicate) and other security documents (other than the documentation prepared by Company's Legal department and its panel of Lawyers) are printed and handover to officer. Credit administration is responsible to prepare the following documents.
 - Letter of Offer
 - General Terms & Conditions (if applicable)
 - Board Resolutions covering Borrowings & Corporate Guarantees (if applicable)
 - Letter of Set Off
 - Vehicle Mortgage Bonds (if applicable)
 - Personal Guarantee Bonds
 - Corporate Guarantee Bonds
 7. Letter of Offer pertaining to the facilities approved will be signed by by manager Credit Administration or any officer one level above from the business.
 8. Duly signed letter of offer and other documents are to be entered in the dispatch Register.
 - I. Documents can be sent to branches via e-mail as a PDF document, with the approval of Senior Manager- Credit Administration.
 - II. Draft letter of offer should be filed in the customer credit file and lodged in the pending cupboard.
 - III. Tracker should be updated
 9. On receipt of approved file and draft offer letter, approval should be perused carefully to ensure
 - I. The facility has been approved under the correct Delegated Authority of the respective business channel, in accordance with the current published Delegation of Lending & Related Authority. If any approval found not in line with the Delegation of Lending & Related Authority such approvals should be returned to the respective ARM, Branch or the Coordinating Officer immediately.
 - II. Policy deviation if any is within the delegated authority of the approving authority.
 - III. Draft offer letter should be carefully checked to ensure all details covering the facility is included in the letter of offer i.e., the type of facility, amount, rate of interest, repayment terms, security, insurance and all other conditions pertaining to the facility.

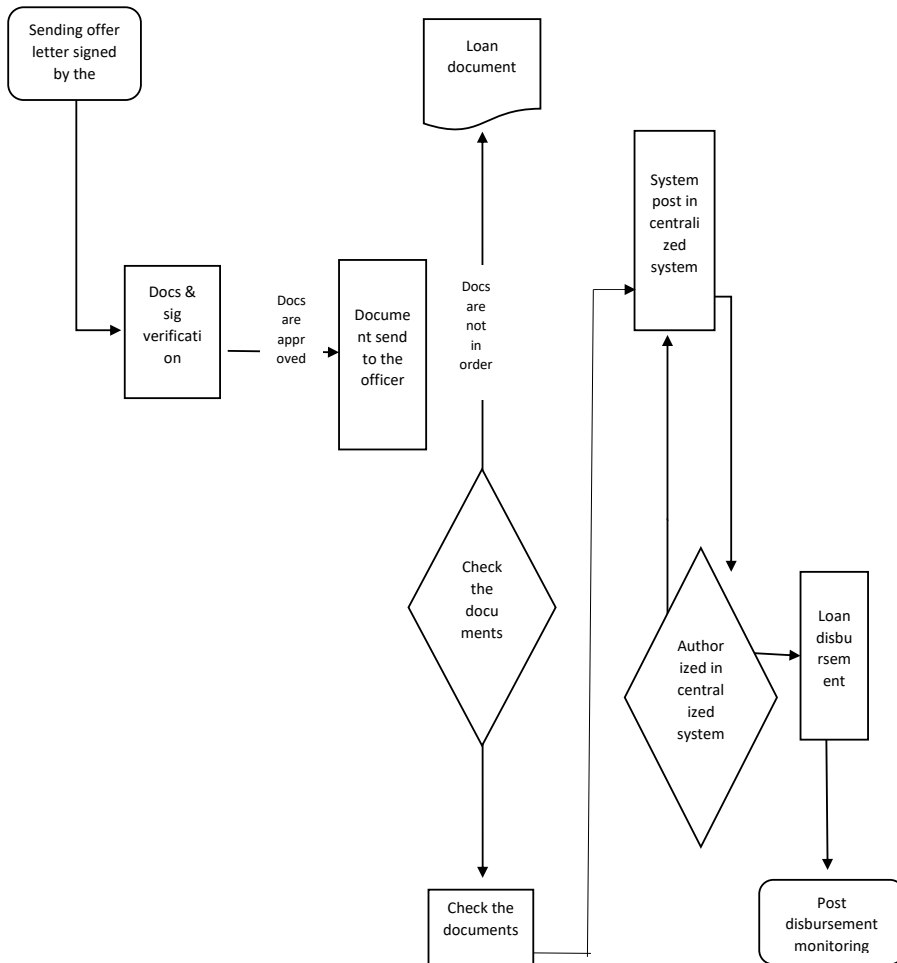
- IV. Check list, draft offer letter and other documents should be initialed.
- V. Draft letter and file should be handed over to business banking signing authority for the approval.

10. On receipt of the original Offer letter and documents

- I. Documents should be checked again with approval to ensure preparation of the documents as per the terms and conditions of the approval.
- II. Ensure letter of offer is duly signed.
- III. Handover the file and documents to the officer assigned for dispatch.

3. DISBURSEMENT

3.1 Disbursement workflow



3.2 Checking of Documents

Credit Administration department is responsible to ensure that the security documents executed are flawless and confirm compliance of all approval stipulations prior to the disbursement of facilities. Workflow of the checking of the documents and disbursement are as follows.

- a. Customer file should be taken from the pending cupboard.
- b. On receipt of documents tracker should be updated.
- c. Check for completeness and enforceability on
 - i. Duplicate stamped Letter of offer and other relevant documents
 - Each page should be initialed and last page should be duly signed by authorized personnel in the appropriate place and dated.
 - If the document is executed in vernacular, stamp confirming that the "contents of the instruments was explained to the borrower/ guarantor prior to the execution of the document" should be placed and certified by an authorized officer of the LCB who should confirm the contents of the instruments was explained to the borrower prior to the execution of the document.
 - In case of documents executed by the person under Power of Attorney, the undernoted procedure should be adhered to.
- d. The Power of Attorney document should be carefully examined to ensure that the Attorney is empowered to act on behalf of the principals, covering the specific transactions, its validity and whether it is Registered.
- e. Confirmation from AGM-Legal should be obtained prior to the execution of any document on Power of Attorney.
 - Confirmation should be attached to the Power of Attorney document and lodged with the securities.
 - All security documents executed should be witnessed by two members of staff. They should state their NIC/ EPF number on such instruments.
 - Signature verification stamp should be placed on the offer letter and signed by the Company staff with EPF number.
- f. Document requirements based on the status / structure of the customers.
- g. Document requirement based on the type of security.
- h. Update the check list and handover to the Manager for approval.
- i. Where documentation is incomplete, or any discrepancies exist, the Credit Administration department is responsible to seek rectification prior to disbursement.
- j. Ensure that the security documents executed are flawless and confirm compliance of all approval stipulations
- k. Signed the check list.

- l. Ensure that the security documents executed are flawless and confirm compliance of all approval stipulations
- m. Authorize the disbursement by signing the check list.
- n. Handover to the Assistant for the disbursement.

3.3 Disbursement

Disbursement of facilities, should be executed only on completion of security documentation and compliance of all approval conditions stipulated by the approving authority. Facilities should not be disbursed pending completion of security documents and the stipulated conditions. if any such request is made towards disbursement pending completion of documentation such requests should be referred to the relevant approving authority. (Refer for SDGM or above)

4. LENDING REPORT UPDATION

- Details of the loans are updated for extraction of MIS.
- File is handed over to " File Management Section.

5. SETTLEMENT OF THE LOAN

- Repayment of loans is handled by the system automatically.
- Full or part early settlement request from the customer should be in writing.
- Early settlement of loans should be referred to SDGM for approval.
- Signature of the customer should be verified.
- Settlement account should be checked to ensure sufficient funds to cover capital, accrued interest, charges and early settlement fees.
- If the funds are insufficient for the settlement, notification should be sent to the Relationship Manager / Branch.
- Hovering queue should be checked and cleared by the assistant and approved by the Manager/Executive before proceeding with manual settlement.
- Settlement is processed by an assistant and approved by the Manager / Executive.
- Request letter should be entered in a book and handed over to File management section for filling

6. FILES: COMPOSITION AND MAINTENANCE

Maintenance of customer and security files are very important function of Credit Administration unit. Credit files contain records, analysis and business strategy information submitted to the company by the clients based on our ability to maintain confidentiality. Security files contain all security documents. Security files should be held in the fire proof cabinet under dual control. One set of key should be held by the Manager while the other should be held by the officer of the Division. Whenever a Key holder avails leave, the relevant key should be transferred to the next Senior Officer, with the concurrence of the Head of Division. All such transfers should be duly recorded and approved.

7. MOVEMENT OF FILES

- Request for release of a file should be in writing by an authorized officer and supported by an approval by a manager or Higher authority.
- Details should be recorded in the **Temporary out register**.
- A note with details of file removal should be left in the pocket for easy identification.
- Release of securities upon full settlement of facilities
 - "Security release note" should be completed by the assistant and authorized by the Manager & Head of Credit Administration.
 - Details should be updated in the **"Permanent out register"**
 - Security release note is filed in the customer file.
 - Any release of original documentation should be replaced by a photocopy in a customer file.

8. REPORTS

8.1 List of reports prepared by Credit Administration Department.

NO	Report Name	Frequency	Deadline	Forward to	Source document
01.	Credit Covenant Report	Monthly	Before 7th of every month	Relationship Manager/Branch Manager	Manual Register (soft copy)
02.	Consumer Loans Policy Deviation Report	Monthly	Before 10th of every month	Risk Department	Lending Report
03.	Collateral Detail report- Previous month loans	Monthly	Before 10th of every month	Finance Department	Manual Register (soft copy)
04.	Collateral Detail report for NPA Loans	Monthly	Before 10th of every month	Finance Department	Manual Register (soft copy)
05.	Overdue Report	Twice a month	First week and third week	SDGM / all branches	MIS Report
06.	Rescheduled Loans report	Monthly	Before 10th of every month	Finance Department/ Risk Department /SDGM	Manual Register
07.	CRIB report	Monthly	Before 08th of every month	CRIB	Data extract by IT department
08.	Key risk indicator report(KRI)	Monthly	Before 10th of every month	Risk Department	Manual Register
09.	Disbursed facilities pending security documentation	Monthly	Before 10th of every month	All business heads	Manual tracker (excel)

8.2 Details of reports

01. Credit Covenant Report

- Below covenant details were maintained by credit admin department.
 - i. Insurance (Stock/ Property/ Vehicle and Machinery)
 - ii. Stock & Debtors Statements
 - iii. Stock Inspection Reports
 - iv. Monthly Cash Build up Account

02. Loans Policy Deviation Report

- Loans granted with policy deviations are included in this report.
- Listed below are the policy deviations can be occurred when granting consumer loans.
 - i. Breach salary multiplier
 - ii. Risk score
 - iii. Exceeds DSR 60%
 - iv. Early Settlement Waive off
 - v. Exceeds maximum LTV
 - vi. Breach Maximum Loan Amount/ Single borrower Limit

03. Collateral Detail report - previous month loans

- Details of security type and collateral value will be included in this report for facilities granted in previous month.
- Security type will be categorized as FD, Vehicle, Property etc.
- Force sale value for property and market value for other securities will be included under collateral value.
- Valuation details to be included for immovable and vehicles

04. Collateral Detail report for the NPALoans

- Details of security type and collateral value will be included in this report for the facilities classified as NPA
- Security type will be categorized as FD, Vehicle, Property etc
- Force sale value for property and market value for other securities will be included under collateral value.
- This report is prepared for NPA loans.

05. Overdue Report

- List of overdue loans exceeding zero arrears date will be included in the overdue report.
- Overdue loans divided into four main categories as per products/ branch wise

06. Rescheduled Loans report

- CAD maintain a manual register to update the details of reschedule loans.
- Loan details prior to reschedule and after rescheduling will be incorporated to the rescheduled loan report.

07. CRIB report

- Crib report will be uploaded directly through CRIB online system on monthly basis by the CRIB compliance officer.

08. Key risk indicator report(KRI)

- Followings are the main indicators include in KRI report.
 - i. Credit covenants
 - ii. Document registration
 - iii. Credit approval
 - iv. Audit findings

09. Disbursed facilities pending security documentation

- CAD maintains manual register to capture loan processed with incomplete security documents.
- The report contains CIF, details of the loan, details of the pending document and approving authority.

9.0 INTEREST RATE MAINTENANCE

Loans to be booked at following interest rate type depending on approval

- Fixed rate - Fixed for entire loan tenor.
- Floating rate - Floating rates linked to Period.
- Adjustable rate - Can be changed as and when required

Interest rate changes to parameter is handled by Head of Finance on written request originated by Manager Credit Administration and approved by Senior Deputy General Manager and CEO/ Executive Director. Product Level rate change will be decided at ALCO and communicated by ALCO secretary.

Retail Facilities

Retails facilities are booked under fixed and floating rates. Floating rate is linked to the base rates or Index. Interest reset date of the Floating rate facility is calculated from the date of booking the facility. Rate change will be automatic. Workflow for floating rate change is as follows.

- Assistant
 - A report is generated from "Advance report" to identify the accounts effected by the rate change on the following day.

- Rate change advise to customer is generated from MISsystem
- Reconcile the letters with report
- Handover the letters and the report to the Manager.
- On receipt of signed letters handover, the letters to dispatch unit and obtain signature on the report.
- File the report.

10. RESCHEDULE THE FACILITY

- On receipt of approved paper to reschedule the facility "RESCHDULE" stamp should be placed.
- Process for disbursement & Manual settlement should be followed disbursement of reschedule facility and settlement of old facility.
- "Reschedule Register" should be updated with details and initialed by the manager.
- Facilities recorded in the "Reschedule register" should be checked twice a month (15th & 28th) to ensure correct status of loans in the system.
- Details of loans to be move to current should be referred to Recovery, Finance, Business unit and Risk for their approval before changing in the system.
- Detail of changes to the status (movement to current bucket) in the system should be recorded in the "Reschedule register" .

11. FIXED DEPOSIT LIEN MANAGEMENT

Lien on fixed deposits will be placed at the time of linking the facility to the fixed deposit.
Releasing lien on settlement of facilities shall be handled by CAD (Screen print of settled facility to be filed)

12. ARCHIVING & AND RETRIEVAL OF DOCUMENTS

- When a credit facility is cancelled, closed or settled in full, the Security file with documents other than handed over to the customer and customer file will be transferred to the facility settled cupboard.
- The transferred files are kept in this cupboard for a period of two years after the year end for audit purpose and archived.
- Following Files will be held in the department for two years after the year end for audit purpose and archived.
 - Monthly AWPLR rate change
 - Fixed Deposit lien placement and release
 - Limit extensions
 - Loans granted report
 - Re - pricing report
 - Overdue letter
 - Insurance expiry letter
 - Monthly risk and compliance report
 - CRIB correspondence
 - Other customer correspondence
 - Miscellaneous file

12.1 Archiving Process

- As per guidelines stipulated in the operation manual

12.2 Retrieval Process

- As per guidelines stipulated in the operation manuals.

This Manual has been prepared by Credit Department Head office to establish the Credit Administration Department (CAD) at Head office and seek the Approval of the Board of Directors for adoption.

Recommended to the Board of Directors for Adoption

CEO/ Executive Director
Date

Commented [H1]:

