Moderators Assignment Feedback – Credit Risk Management

After each series, we ask our moderators to provide a report on each assignment-based unit to identify

- Any questions which were usually answered particularly well, including main points and qualities that characterised good answers.

- Any questions which were usually answered badly and main weaknesses in candidates' answers.

- Common errors or misconceptions made by candidates.

We hope that this will be of assistance when completing your Credit Risk Management skills assignment.

General feedback to candidates

The candidates overall performance was of a high standard. All achieved at least a Level 3 Pass. All were able to apply factual, procedural and theoretical knowledge and understanding of Credit Risk Management.

Candidates that were able to provide examples and evidence to support their answers and provide in-depth explanations were able to gain higher marks.

Candidates should ensure they are answering the question asked and pay attention to the Mark Scheme.

Feedback for each assignment question

Q1. Explain the range of factors associated with credit risk to an organisation, showing the possible impacts of each factor upon it:

Q1 – *Generally well-answered with a range of factors identified.*

Q2. In the context of credit risk management and with reference to relevant legal, regulatory, organisational and industry frameworks:

  a) **Explain the impact upon your area of work of legislation, regulations and industry frameworks:**
  b) **Explain how your organisation's policies and procedures ensure compliance with legislation, regulations and industry frameworks, and therefore mitigate credit risk to the organisation:**

Q2 a) - b) – *Generally well-answered. Candidates should ensure when discussing the impact that their examples include reference to legislation, regulations and industry frameworks. Candidates should remember to link answers from a) to b)*.

Q3. Explain how you use the variety of tools and systems available at work to aid the credit risk assessment process:

Q3 –*Generally well-answered; some candidates referenced a larger number of tools and systems than others*.

Q4. Illustrating your response with a variety of appropriate internal and external stakeholders:

   a) Explain the role of internal and external stakeholders in credit risk assessment work:
   b) Explain how to balance the requirements of each stakeholder group in credit assessment work

Q4 a) – b) – *Some candidates were able to illustrate their answer with a larger variety of stakeholders than others. Those that gained higher marks were able to clearly explain how to balance the requirements of each stakeholder group.*

Q5. Appropriately evidencing your responses to this question in an Appendix, use examples from your own working practices over a three month period and refer to appropriate legal, regulatory and industry requirements to explain how you have:

   a) **Obtained information for risk assessment**
   b) **Liaised with relevant stakeholders:**
   c) **Used tools and systems to assess creditworthiness and affordability:**
   d) **Made a valid credit decision or recommendation:**
   e) **Handled complaints regarding credit decisions**

Q5 a) – e) - *Several examples are required to answer this question fully; remember to refer to appropriate legal, regulatory and industry requirements.*

Q6. Reflecting on the credit risk management work you have carried out over a period of at least three months:

   a) **Evaluate your credit risk management performance during the course of this period, assessing how your approaches and outcomes have changed over that time, and identifying aspects of your performance which can be improved:**

   b) **Develop a SMART action plan to improve your personal credit risk management skills**

Q6 a) – b) – *Candidates that provided several examples of their performance over a 3-month period and identified improvements gained higher marks.*

Not all candidates presented a SMART action plan with clear goals. Recommend more than one goal and to ensure all aspects of SMART are identified for each goal. Candidates who used an identified improvement from 6a) achieved higher marks.