

EDUCATE ——— ENABLE ——— EMPOWER

CREDIT AND LENDING

LEVEL **8**

Professional Certificate in

Personal Lending

2022-2023



Who we are

IOB

IOB is a professional community of over 32,900 members who work in banking, investment funds and international financial services on the island of Ireland. Professional development of our members through education is at the heart of what we do. IOB provides university level programmes to enable our members achieve and sustain their professional qualifications and Continuing Professional Development (CPD) – essential in meeting customer and regulatory expectations. More than 8,500 individuals studied with us last year and over 23,800 members are registered for CPD schemes administered by IOB.

Excellence in education – a recognised college of UCD

As a recognised college of University College Dublin (UCD) and the standout financial services educator, we offer qualifications of the highest standard. We currently have more than 40 programmes ranging from Professional Certificates (level 7) on the National Framework of Qualifications (NFQ) to Masters Degrees (level 9). We design our programmes to be practical and relevant, and grounded in academic rigour.



Welcome

I am delighted to introduce you to the Professional Certificate in Personal Lending programme.

This personal and micro SME lending programme is designed to develop the credit risk assessment skills of personal lenders who are involved in mortgage lending, lending to professionals, self-employed and lenders who lend to micro SMEs who typically borrow less than €500,000 (including Agri lending). For example:

- The PAYE earner seeking a new mortgage or a trade up mortgage or other personal lending product. The programme will also equip lenders with the key credit assessment skills to meet the challenges in satisfying the borrowing needs of the less straight forward personal borrower requests. Increasingly these borrowers are time poor and need a lender who can quickly and professionally determine their borrowing needs versus income and match the right product to those needs, for example:
- The self-employed professional seeking a new mortgage or a trade up mortgage or other personal lending product but presenting a challenge in interpreting their accounts and from them determining their income now and income potential. For example professionals working on a self-employed basis in multi-national companies or accountants, barristers, doctors and dentists. Meeting the needs of the business owner manager, such as plumber, painter, retailer, etc. who requires the personal lender to understand their business and its potential to give them income to repay their personal lending facilities.

The Micro-SME borrower is a fast growing segment in the SME market as more people are choosing to become self-employed. Credit risk assessing the borrowing needs of Micro SMEs can be challenging but interesting and offers the lender an opportunity to build strong customer relationships based on a professional service which adds value for the customer. A typical example of the needs of this type of Micro-SME include:

- A barrister needs to borrow to meet his working capital/ taxation payment needs. Meeting these needs involves the acquisition of new lending skills in understanding the business prospects, management ability and financial account
- A web design engineer seeks a loan/ leasing to buy new equipment or develop a website
- The Micro-SME seeking to acquire its own premises
- The dairy farmer/beef farmer who needs asset finance or working capital for the farm enterprise.

This brochure comprehensively describes the programme. The programme is delivered on a blended learning basis using a combination of learning approaches (online learning and face-to-face case study workshops). The online content provides you with a suite of integrated interactive learning supports which enables you to progress through the programme at a pace that suits you.

I believe that the programme is highly relevant to the current economic environment and is a very important building block in developing the specialist knowledge and lending skills of personal bankers and other professional advisors who work with lending to Professionals, Self-Employed and Micro SMEs.

I wish you every success in your studies.

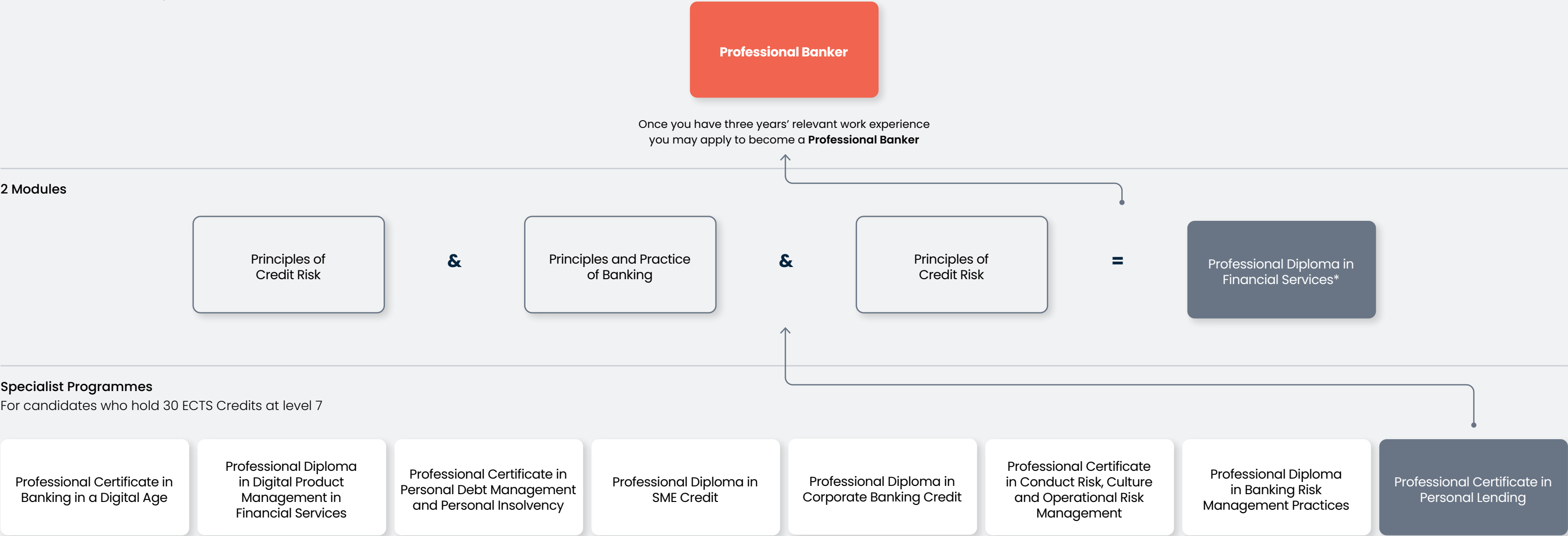


Ken O'Sullivan BCOMM, MBS, FIB, FCA
Deputy Chief Executive

Pathway to Professional Banker Designation for Professional Certificate in Personal Lending

THIS PROGRAMME IS ON THE PATHWAY TO PROFESSIONAL BANKER DESIGNATION

Professional Banker Designation



* Students completing the Professional Certificate in Personal Lending can apply for exemption from the Principles of Credit Risk module if they enrol at a later date on the Professional Diploma in Financial Services meaning, if successful, they would only have two modules (Principles and Practice of Banking and Customer Experience Management) to complete in order to be award the Professional Diploma in Financial Services.

Introduction

Who is this programme for?

This programme is designed to equip lenders with the key credit skills to meet the personal lending market credit needs, particularly PDH mortgage lending to individual, professional and self-employed borrowers and to also meet their business lending needs. It will also equip lenders to meet the lending needs of the micro SME sector who typically borrow less than €500,000.

It is designed to meet the needs of:

- All QFAs, APA Loans who are involved in mortgage lending, Buy to let and other personal lending
- All QFAs, APA Loans who are involved in lending to Self-employed and micro SMEs up to €500,000
- All staff working in retail branch banking who wish to move into lending, either personal or micro business. Previous lending experience is not essential
- SME relationship managers and their lending portfolio support staff who want to build on their existing skill base and move on to the next level
- Credit underwriters working in the frontline or in a credit department setting
- Loan administration and credit policy officers
- Credit review staff who are responsible for ensuring that lending and credit delivery standards are complied with
- Internal audit staff who assess whether the credit management standards are fit for purpose and are being complied with
- Marketing staff who design and promote personal credit products
- Financial Control staff with responsibility for budget setting, capital allocation, financial performance evaluation and financial/regulatory reporting.

University award

When you successfully complete this programme, you will be awarded a Professional Certificate in Personal Lending from UCD. This is a level 8 qualification on the National Framework of Qualifications.

The modules on this programme will give participants credits towards the Professional Diploma in Financial Services, leading to the Professional Banker designation.

Benefits for you and your organisation

The programme is a specialist education programme that offers a unique, independent, university-level qualification. At the end of the programme, you will be equipped with the specialist key skills and knowledge to understand:

- Mortgage credit underwriting with a focus on credit assessing mortgage applications and other personal lending applications from individual personal borrowers, self-employed borrowers and professionals e.g. Accountants, Doctors, Engineers etc.
- The key issues that require particular emphasis when considering personal lending to self-employed borrowers
- The key issues that require particular emphasis when considering Buy to let mortgage lending
- Credit scoring and consumer credit
- The key canons of lending
- Credit risk and how lenders seek to manage credit risk
- The importance and characteristics of the Micro SME segment in Ireland i.e. business lending up to circa c500,000
- How lenders should assess the financial accounts of the different types of SME businesses for example, Sole Trader, Partnerships and Limited companies
- Cash flow and the difference between cash and profit
- How to assess the ability of an SME business to generate cash to meet its commitments
- Assessing business plans and projections
- Personal and Business security
- Customer Interviewing and negotiation techniques
- Relationship management techniques for developing strong customer relationships
- Key pointers when writing a credit report
- Early identification of distressed lending situations
- Overtrading issues.

Curriculum

You study two modules as follows:

- 1. **Principles of Personal Credit Assessment**
(NFQ Level 8, 5 ECTS)
- 2. **Personal and Micro SME Credit Application, Negotiation, Documentation and Financing Alternatives**
(NFQ Level 8, 10 ECTS)

1. Principles of Personal Credit Assessment

(NFQ Level 8, 5 ECTS)

- What is personal credit risk
- Why is personal credit risk so important to banks, economy and society
- What are the other key categories of risks that banks are exposed to
- Bank Risk Appetite Framework
- Credit culture
- Credit Risk Appetite Statement
- Basel Principles for the Management of Credit Risk with emphasis on personal lending
- Components of the Credit Risk Management Framework
- Personal Portfolio Credit management
- The end to end credit process
- The personal Credit application process
- Overview of the Canons of Lending with emphasis on personal lending
- Introduction to personal credit models and scorecards
- The impact of Digital Banking on personal credit assessment
- Overview of personal distressed credit management strategy
- Pricing for personal credit risk
- Bank and Regulatory capital
- Risk weighted assets
- Stress testing
- Impairments and capital.

2. Personal and Micro SME Credit Application, Negotiation, Documentation and Financing Alternatives

(NFQ Level 8, 10 ECTS)

- Understand the Principles and challenges of Personal Lending Credit Assessment
- Conduct credit assessment of Residential Mortgage/ Housing loans, Personal loans, Credit cards
- Conduct credit assessment of Buy to Let Mortgage Lending Credit Assessment
- Conduct credit assessment of Self-Employed People (e.g. builders, doctors, solicitors etc)
- Understand key Agricultural sectors (e.g. Dairy, Beef etc)
- Conducting credit assessment of Micro SMEs up to €500,000
- Understand Personal Lending Products (Excluding Housing Loans/ Residential Mortgage Loans)
- Understand Housing Loan/Residential Mortgage Loans, Negative Equity and Equity Release
- Understand personal securities
- Facility Letter, Covenants, Conditions Precedent, Conditions Subsequent and Drawdown
- Causes of Financial Distress of Personal Borrowers
- Insurances
- The Customer Loan Interview
- Managing the Customer Relationship
- Negotiation Skills and Tactics
- Introduction to the different key bank lending Products to Micro SMEs
- Objectives and challenges of Micro SME lending
- Characteristics of Micro SME owners
- Business strategy, Industry, Economic and Management team risk assessment
- Primary Statements in financial reporting

- Analysing financial information – P&L, balance sheet and cash flows
- Calculating and analysing repayment capacity
- Interpreting cash flow statements
- Understanding working capital analysis
- Understanding financial projections
- Different types of security and legal issues affecting security
- Explaining covenants and conditions precedent
- Causes of Financial Distress for Micro-SMEs.

Further Information

Assessment structure

Both modules are assessed by a combination of continuous assessment (multiple choice questions) and an end of trimester written examination with essay style questions.

Delivery

Online workshops and recorded webinars.

Programme duration

We would recommend that participants study the programme over at least two trimesters.

Entry requirements

The minimum entry requirements to the programme are:

- 3 years' experience (full-time) in a relevant banking role and have completed the Professional Diploma in Financial Advice or equivalent 30 ECTS level 7 programme
- or
- An honours degree (min. H2.2, level 8 NFQ)
- or
- Admission will also be considered from experienced professionals who do not meet the minimum admission requirements as set out above, who can demonstrate learning based on work and training experience e.g. individuals employed in a credit role with responsibility for credit decisions in financial services.

Professional body membership

You must be a current member of IOB, or become a member, to undertake this programme.

How to apply

To apply online, visit
[iob.ie/programme/professional-lending](https://www.iob.ie/programme/professional-lending)

Fees

Module	Fee
Principles of Personal Credit Assessment	€520
Personal and Micro SME Credit Application, Negotiation, Documentation and Financing Alternatives	€625

Contact us

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Key Dates 2022–2023

2022

Autumn Trimester September 2022 – January 2023	Key Dates
Closing date for applications*	19/09/2022
Closing date for module registrations (Including fees)	07/10/2022
Trimester start date**	13/10/2022
Re-registration closing date	11/11/2022
Module withdrawal date	11/11/2022
Exam period	02/01/2023 – 21/01/2023
Exam results release date	03/03/2023

2023

Spring Trimester January 2023 – May 2023	Key Dates
Closing date for applications*	27/01/2023
Closing date for module registrations (Including fees)	10/02/2023
Trimester start date**	07/02/2023
Re-registration closing date	20/03/2023
Module withdrawal date	20/03/2023
Exam period	06/05/2023 – 20/05/2023
Exam results release date	30/06/2023

2023

Summer Trimester June 2023 – September 2023	Key Dates
Closing date for applications*	26/05/2023
Closing date for module registrations (Including fees)	09/06/2023
Trimester start date**	06/06/2023
Re-registration closing date	14/07/2023
Module withdrawal date	14/07/2023
Exam period	02/09/2023 – 16/09/2023
Exam results release date	27/10/2023

* Places may be available after this date depending on availability
** Member Resources in IOB Learn

IOB Learn

IOB members gain exclusive access to IOB Learn, our innovative personalised learning platform and mobile app. Powered by artificial intelligence, this dynamic platform is a first in Irish education. IOB Learn helps you keep pace with a sector in transformation.

Access exclusive content

Access the latest industry insights and thought leadership on financial services. Follow content channels in topics such as risk, compliance, digital innovation and ESG to stay up to date with sector trends and best practices.

Learn at your pace

Learn at a time and pace that suits you with the full library of archived IOB events and webinars. IOB Learn is your ticket to the conversations that matter.

Start a new pathway

Set your own learning goals and follow a learning pathway to boost your skillset. See how IOB Learn's algorithm can help you to gain expertise with bitesize content and courses.

Explore your module and CPD resources

Find your module materials, resources and CPD content for professional designations on one dedicated platform.

Boost your wellbeing

The Wellness Channel on IOB Learn has a suite of inspiring courses, videos and articles from international experts to help you manage stress and develop positive new habits.



Learn. Connect. Progress.

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Follow learning pathways



Watch webinars, events and browse micro-learning content



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