



North Bank for Finance & Investment



CREDIT PROCEDURES



Credit Procedure

1. The arrival of the borrower to the bank
2. Loan application which shows:
 - Loan Size
 - Repayment period
 - Securities
 - Purpose of Loan
3. Client screening by the loan officers
4. Loan application study to verify:
 - The availability of the financial statements of the borrower
 - Project field visit
 - Investigate the Borrower from three perspectives:
 1. Financial perspective
 2. Market perspective
 3. Technical perspective

After making sure of the data solidity submitted by the borrower, loan officer should analyze the data and evaluate the result:

- a) Financial analysis according to the forms prepared for that. "Loan application"
- b) Completion of the approvals according to the schedule of authorities in the bank
- c) In case of approval, implementation phase will be started by pledging of the collateral needed
- d) After completion of the mortgage, contract and guarantees should be displayed to the legal department for approval
- e) After the legal department approval the credit control should fix the credit ceiling on the CBS and send the application to the operation department for disbursement
- f) The operation department will disburse the loan and print the schedule of payments
- g) The operational department should enter the collateral on the CBS and re send the file to the credit department for filing
- h) The file to be audited by the credit department to make sure that its implemented as it should be
- i) The borrower sign the repayment schedule and keep his own copy
- j) Archiving the file in the storage, keeping the original copy of the important documents like contract, compulsory not and the mortgage in safe box, copy should be attached to the file

Repayment Follow up:

The loan officer is responsible to follow up the repayment schedule as follow:

- Handing over the repayment schedule to the borrower and explain the date and the amounts of each repayment
- The back office prepare a monthly report showing the due payments during the month for each loan officer
- The loan officer call the borrower two days before of the due date of the repayment
- Credit officer must visit the borrower once every three month
- In case of late borrowers the loan officer must follow up with the borrower and the guarantors
- In case of non-payment and the existence of guarantees which are easy to liquidate either from the Borrower and \ or the guarantors. These guarantees should be used directly
- After 15 days of delay a written note should be send to the borrower and his guarantors
- After 30 days of continuous delay a second note should be send to the borrower and his guarantors
- In 60 days of delay a legal note should be sent by the legal department giving the borrower 15 day to communicate with the legal department
- Liquidation of any collaterals the bank has and can be liquidized without court decision
- I case of non-payment the file should be transferred to the legal department for legal actions
- After transferring the file to legal department the loan should classified as default loan