COLLECTIONS ON DEFAULTED LOANS



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Introduction

Collections On Defaulted Loans Training Course builds the recovery capability that lenders need once a facility has breached and normal collection has failed. Defaulted loans require a different discipline: identification and classification, structured workout negotiation, security enforcement, legal escalation, and provisioning management. Handled poorly, they consume management time, damage capital, and expose the institution to regulatory criticism. This course develops the practitioner skill that recovers value and manages the process defensibly. It covers early warning, workout strategy, and negotiation. Furthermore, it applies security realisation, legal recovery, restructuring, and provisioning. In addition, it develops governance, conduct standards, and reporting. As a result, participants recover defaulted exposure with discipline and control.

Collections On Defaulted Loans Course Objectives

- Explain default definitions, triggers, and early warning indicators.
- Classify non-performing exposures under IFRS 9 and regulatory rules.
- Design workout strategies for different default scenarios.
- Apply restructuring, rescheduling, and refinancing options appropriately.
- Negotiate settlements within defined authority and policy.
- Enforce security including mortgages, pledges, and guarantees.
- Manage legal recovery processes and documentation requirements.
- Apply provisioning, write-off, and recovery accounting treatment.
- Apply forbearance, conduct, and customer treatment standards.
- Report defaulted portfolio performance to management and regulators.

Course Methodology

- Interactive lectures with real default and workout cases.

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- Default classification and early warning workshops.
- Workout strategy and negotiation simulation exercises.
- Security enforcement and legal recovery practice.
- Structured peer review with facilitator feedback on recovery strategies.

Who Should Take This Course

- Collections and recovery officers.
- Credit workout and restructuring specialists.
- Bank risk and credit review professionals.
- Legal recovery and documentation staff.
- Internal auditors reviewing defaulted loan controls.
- Regulators and supervisors reviewing recovery practice.

Collections On Defaulted Loans Course Outlines

Day 1: Default Identification and Classification

- Default definitions and contractual triggers.
- Early warning indicators and watchlist management.
- Non-performing exposure classification under IFRS 9.
- Regulatory classification and staging rules.
- Default registration, reporting, and data quality.
- Causes of default: borrower, sector, and structural.
- Case study: classifying a portfolio of exposures by risk stage.

Day 2: Workout Strategy and Negotiation

- Workout strategy design and decision frameworks.
- Borrower engagement and information gathering.
- Negotiation techniques for distressed situations.
- Settlement authority levels and approval thresholds.
- Restructuring, rescheduling, and refinancing options.
- Forbearance policy and its reporting implications.
- Workshop: negotiating a restructuring and settlement package.

Day 3: Security Enforcement and Legal Recovery

- Security types: mortgage, pledge, assignment, and guarantee.
- Security valuation and realisation strategy.
- Enforcement procedures and notice requirements.
- Guarantor and co-borrower recovery actions.
- Litigation, arbitration, and alternative dispute resolution.
- Insolvency and bankruptcy proceedings overview.
- Workshop: planning security enforcement for a defaulted facility.

Day 4: Provisioning, Write-Off, and Recovery Accounting

- Expected credit loss calculation for defaulted exposures.
- Stage 3 provisioning and collateral valuation effects.
- Write-off policy, approval thresholds, and reinstatement.
- Recovery accounting and income recognition rules.
- Sale of defaulted portfolios and debt trading.
- Reconciliation of recovery accounts and reporting.

- Workshop: computing provisions and recovery outcomes.

Day 5: Governance, Conduct, and Performance

- Recovery governance, policy, and control frameworks.
- Customer treatment, conduct, and fair treatment standards.
- Collections ethics and reputational risk management.
- Recovery performance indicators and benchmarking.
- Regulatory reporting and supervisory expectations.
- Continuous improvement and technology in recovery.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Collections On Defaulted Loans, participants will gain a thorough understanding of default identification and classification, workout strategy and negotiation, security enforcement and legal recovery, provisioning and recovery accounting, and recovery governance, conduct and performance management. They will also acquire practical skills in default identification and exposure classification, workout strategy and settlement negotiation, security enforcement and legal recovery management, and provisioning, write-off and recovery performance reporting. In addition, the course prepares them to recover defaulted exposure with discipline and defensible documentation. Gentex Training Center delivers this programme with a strong focus on applied recovery practice and effective risk containment.

FAQs for Collections On Defaulted Loans course

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Q1 What is the "Collections On Defaulted Loans" course about?

It is a five-day programme on recovering value from defaulted loans. It covers default identification and classification, watchlist and early warning management, workout strategy and settlement negotiation, security enforcement and legal recovery, provisioning and write-off accounting, and recovery governance and performance measurement.

Q2 What are the key benefits of the "Collections On Defaulted Loans" course?

Participants recover more value with fewer procedural failures. The course improves default detection and classification accuracy, sharpens workout strategy and negotiation outcomes, strengthens security enforcement and legal recovery, improves provisioning and write-off discipline, reduces conduct and reputational risk, and raises the quality of recovery performance reporting.

Q3 What skills will I gain from the "Collections On Defaulted Loans" course?

Participants gain default identification and exposure classification, workout strategy and settlement negotiation, security enforcement and legal recovery management, and provisioning, write-off and recovery performance reporting. These four skills cover the practical core of defaulted loan recovery work.

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Q4 What tools, methods, or standards are covered in the "Collections On Defaulted Loans" course?

The course covers default definitions and contractual triggers, early warning indicators and watchlist management, IFRS 9 non-performing exposure classification and staging, regulatory classification rules, default registration and reporting, default cause analysis, workout strategy design and decision frameworks, borrower engagement and information gathering, distressed negotiation techniques, settlement authority levels, restructuring, rescheduling and refinancing options, forbearance policy and reporting implications, mortgage, pledge, assignment and guarantee security types, security valuation and realisation, enforcement procedures and notice requirements, guarantor and co-borrower recovery, litigation, arbitration and alternative dispute resolution, insolvency proceedings, expected credit loss calculation for defaulted exposures, stage 3 provisioning and collateral valuation effects, write-off policy and reinstatement, recovery accounting and income recognition, defaulted portfolio sales and debt trading, recovery account reconciliation, recovery governance and control frameworks, customer treatment and conduct standards, collections ethics, recovery performance indicators and benchmarking, and regulatory reporting expectations.

Q5 How is the "Collections On Defaulted Loans" course applied in real-world practice?

Participants apply the methods to their own defaulted portfolios. They identify and classify defaults, maintain watchlists, design workout strategies, negotiate restructurings and settlements, plan security enforcement, coordinate legal recovery, calculate stage 3 provisions, process write-offs, reconcile recovery accounts, and report recovery performance to management and regulators. Many leave with a workout strategy template, a security enforcement checklist, and a recovery performance dashboard ready to use.