EQualifi

CDA
CHARTERED DEBT ADVISOR

Syllabus

Module 1: Debt Market Overview

- Role of credit in personal finance and the economy.
- Growth of household debt in India.
- Retail credit segments: housing, vehicle, personal, credit card, gold, education and consumer loans.
- Formal and informal sources of credit.
- Trends in consumption-led borrowing.
- Rise of digital and fintech lending.
- Household debt stress and debt traps.
- Global household debt trends and lessons.

Module 2: Key Market Participants

- Banks: public, private, foreign and small finance banks.
- Non-banking financial companies and housing finance companies.
- Microfinance institutions.
- Co-operative banks and credit societies.
- Fintech lenders, lending service providers and digital platforms.
- Credit information companies.
- Collection agencies and recovery agents.
- Asset reconstruction companies.
- Debt counsellors, financial planners and consumer bodies.

Module 3: Regulations

- Role of RBI in regulating retail lending.
- Fair Practices Code for lenders.

- Key Facts Statement and transparency in loan pricing.
- Regulation of credit cards and debit cards.
- Regulation of digital lending.
- Regulation of microfinance loans.
- Regulation of gold loans.
- Guidelines on recovery agents and collection practices.
- Credit Information Companies (Regulation) Act, 2005.
- Prudential norms: income recognition, asset classification and provisioning.
- Unregulated lending and illegal loan apps.

Module 4: Consumer Protection and Borrower Rights

- Rights of borrowers under RBI regulations.
- Grievance redress with lenders.
- Reserve Bank – Integrated Ombudsman Scheme.
- Consumer Protection Act, 2019.
- Protection against harassment and coercive recovery.
- Data privacy and the Digital Personal Data Protection Act, 2023.
- Mis-selling of credit and bundled products.
- Financial fraud and scams targeting borrowers.

Module 5: Product Overview: Unsecured Debt

- Personal loans.
- Credit cards: features, charges, revolving credit and minimum due.
- Consumer durable loans and EMI financing.
- Buy now, pay later.
- Education loans.
- Microfinance loans.
- Overdrafts and salary advances.
- Peer-to-peer lending.
- Informal borrowing from moneylenders, family and friends.
- Risks and costs of unsecured borrowing.

Module 6: Product Overview: Secured Debt

- Home loans.
- Loans against property.

- Vehicle loans.
- Gold loans.
- Loans against securities, deposits and insurance policies.
- Agricultural and Kisan Credit Card loans.
- Business loans for the self-employed.
- Collateral, margins and loan-to-value ratios.
- Risks of secured borrowing: repossession and foreclosure.

Module 7: The True Cost of Borrowing

- Interest rates: fixed, floating and benchmark-linked.
- EMI calculation and amortisation schedules.
- Flat versus reducing-balance interest.
- Annual percentage rate and effective cost.
- Processing fees, penal charges and other costs.
- Prepayment and foreclosure charges.
- Insurance bundled with loans.
- Comparing loan offers.

Module 8: Credit Health

- Credit information companies and credit reports.
- Credit scores: how they are calculated.
- Reading and interpreting a credit report.
- Factors that improve and damage credit scores.
- Errors in credit reports and dispute resolution.
- Impact of settlement, write-off and default on credit history.
- Monitoring credit health.
- Identity theft and fraudulent loans.

Module 9: Credit Decisions

- How lenders assess borrowers.
- Income, employment and repayment capacity.
- Fixed obligation to income ratio and debt-to-income ratio.
- Credit scores in lending decisions.
- Collateral and guarantors.
- Alternative data and digital underwriting.

- Reasons for loan rejection.
- Co-borrowers, guarantors and their liabilities.

Module 10: Personal Credit Planning

- Good debt and bad debt.
- Assessing borrowing capacity and affordability.
- Responsible borrowing principles.
- Matching loan type and tenure to purpose.
- Planning major borrowing: home, vehicle and education.
- Debt in the overall financial plan.
- Emergency funds and insurance as protection against debt stress.
- Planning to become debt-free.

Module 11: Budgeting and Cash Flow Counselling

- Gathering client financial information.
- Income and expense analysis.
- Solution-focused budget analysis.
- Creating spending plans and budgets.
- Identifying and reducing discretionary spending.
- Managing irregular income.
- Building savings while repaying debt.
- Tools and apps for budgeting.

Module 12: Debt Management and Repayment Strategies

- Assessing the client's overall debt position.
- Prioritising debts by cost, consequences and security.
- Avalanche and snowball repayment methods.
- Debt consolidation.
- Balance transfers and refinancing.
- Using assets to repay debt.
- Creating a debt management plan.
- Monitoring and revising debt management plans.

Module 13: Delinquency, Collections and Recovery

- Stages of delinquency and days past due.
- Special Mention Accounts and non-performing assets.
- Collection processes of lenders.
- Rights of borrowers in collections.
- Recovery under the SARFAESI Act, 2002.
- Debt Recovery Tribunals and Lok Adalats.
- Cheque dishonour under the Negotiable Instruments Act, 1881.
- Repossession of vehicles and assets.
- Wilful defaulter classification and its consequences.
- Recovery of guaranteed loans.

Module 14: Debt Resolution and Settlement

- Options for borrowers in financial distress.
- Loan restructuring and rescheduling.
- Moratoriums and repayment holidays.
- One-time settlements and compromise settlements.
- Negotiating with creditors on behalf of clients.
- Impact of resolution options on credit history.
- Individual insolvency under the Insolvency and Bankruptcy Code, 2016.
- Choosing the right resolution option.
- Case studies.

Module 15: Credit Enhancement

- Strategies to rebuild credit after default.
- Secured credit cards and credit-builder loans.
- Adding co-applicants and guarantors.
- Improving repayment behaviour.
- Reducing credit utilisation.
- Correcting credit report errors.
- Timelines for credit recovery.
- Avoiding credit repair scams.

Module 16: Housing and Mortgage Counselling

- Renting versus buying a home.

- Home loan affordability and eligibility.
- Choosing a home loan.
- Pre-purchase counselling.
- Managing home loan interest rate changes.
- Mortgage delinquency.
- Foreclosure prevention.
- Tax benefits on home loans.

Module 17: Debt Counselling Skills

- Role of the debt counsellor.
- Essential counselling techniques.
- Building trust and rapport.
- Active listening and motivational interviewing.
- Financial problem solving.
- Psychology of debt and financial stress.
- Behavioural biases in borrowing.
- Supporting vulnerable clients.
- Explaining financial concepts in simple language.

Module 18: Special Situations

- Young adults and first-time borrowers.
- Students with education loans.
- Self-employed borrowers and small business owners.
- Farmers and rural borrowers.
- Women borrowers.
- Senior citizens.
- Job loss and income shocks.
- Medical emergencies.
- Divorce, separation and death of a borrower.
- Addiction-related debt and gambling.

Module 19: Ethics and Professional Conduct

- Ethical responsibilities of debt advisers.
- Scope and limits of debt advice.
- Conflicts of interest.

- Confidentiality and data protection.
- Fees and transparency.
- Documentation and record-keeping.
- Preparing written recommendations for clients.
- Referral to legal and other professionals.
- Case studies.