**# To Process Credit Application for Purchases -**

**# Promptly refer difficulties in processing applications to the right person –**

\***What is a Credit application for a Customer ?**

In a Retail Store Credit Purchase , A Credit application is filled out by a borrower and submitted to a lender to request a loan or other financing. A contractual relationship begins between the borrower and that lender when the lender receives a credit application. The application provides the lender with important information about the borrower.

\*A Retail Sales Associate always have to keep in mind that the processing of Credit application of the customer should be taken on first priority basis .. for that A Requisition form has to be filled up.

Requisition is a formal request by a buyer to the seller to sell the desired goods on conditions agreed upon. It generally includes the brand and model name, quantity and the required delivery date, etc. When a requisition is made by a buyer to the seller to provide credit facility for the purchase of goods it is known as credit requisition.

The rules for availing credit facilities are normally provided by the organisation.

**Credit requisition -**

A credit requisition is a request for credit. A valid credit requisition includes the amount and type of credit requested. It also includes the applicant’s credit score, report and means of security for the loan. Normally, credit limits are prescribed by the vendor.

The credit limit means maximum amount of money extended through a line of credit and maximum amount of credit allowed to a customer to purchase in a retail store.

\*The credit requisition document requires information about the following:

* **The desired items or services:** Customers who are seeking credit facility must mention the details of desired items or services to be purchased on credit from the retail store.
* **Possible vendors to fulfill order:** It must contain the details of the possible vendors who can supply the required goods to the customer or buyer.
* **Any budget quotations or proposals received:** It should contain the information about the vendor’s name and other details of quotations or proposals received.
* **Delivery instructions:** The credit requisition should contain the information about delivery instructions of the goods.
* **Capture initial capital details:** The detailed information about initial capital must be provided in the credit requisition.
* **Contact information:** The buyers who want to purchase the goods on credit must mention their contact information in this requisition.
* **Related accounting detail:** It should also provide

information about related details of accounting.

## Process of applications -

The following performance criteria must be followed for processing applications from retail customers for credit facilities.

1)Identify the customer’s needs and provide credit facilities.

2)Clearly explain about features and conditions of credit facilities to the customer.

3)The customer should submit the application, and the requisition must be approved by the retailer.

4)Promptly refer to difficulties in processing Applications to the concern authorities or person to resolve the same as early as possible..

5)Once approved, the requisitions go to the Sales Manager for authorisation procedures.

**\*What are the difficulties in processing of Credit applications –**

According to Credit Purchase benchmarking survey on Credit applications regarding the purchase of a Product through Credit Purchase facility , an Incomplete Applications and missing Signatures are the primary challenges in Credit Application process. Another big challenge involves the Credit reference checking process.