



AN INSIDE VIEW  
OF A  
CREDIT  
INFORMATION  
BUREAU

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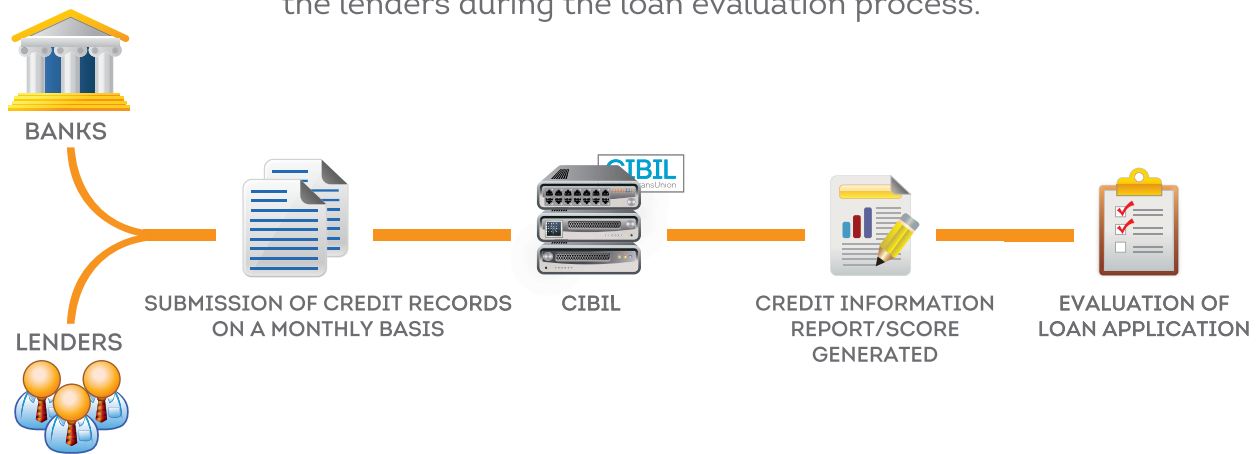
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## ABOUT CIBIL AND THE CREDIT SCORE

### WHAT ROLE DOES CIBIL PLAY?

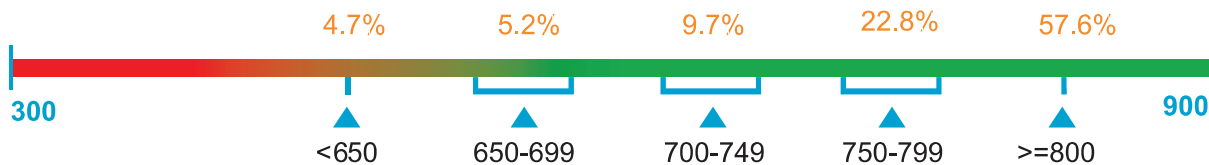
TransUnion CIBIL Limited is India's first Credit Information Company. We collect and maintain monthly reports (Credit Information Report- CIR) from banks and financial institutions, detailing individuals' loan and credit card payment history.

Basis the CIR a Credit Score is generated which is then used by the lenders during the loan evaluation process.



### WHAT IS A CREDIT SCORE?

A Credit Score is a three digit numeric summary of your credit history. The value ranges between 300-900. It is derived by using details found in the Accounts and Enquiries section on your Credit Information Report (CIR). It indicates the 'probability of default' of a borrower based on their credit history. (Refer Page No. 06 for more details.)



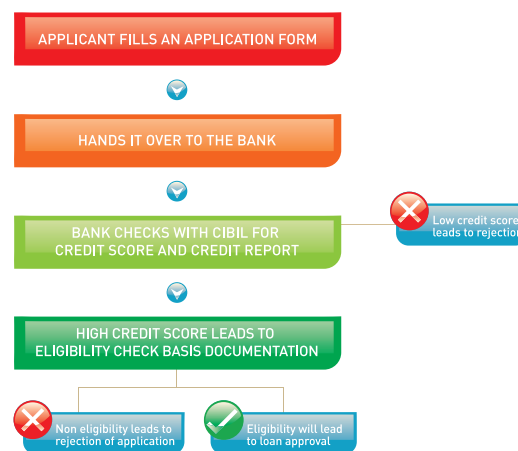
- Your Score
- Figures indicate % of all new loans sanctioned falling in this score band

## IMPORTANCE OF CIBIL SCORE IN LOAN APPROVAL PROCESS

### WHAT ROLE DOES A CIBIL SCORE PLAY IN THE LOAN APPLICATION PROCESS?

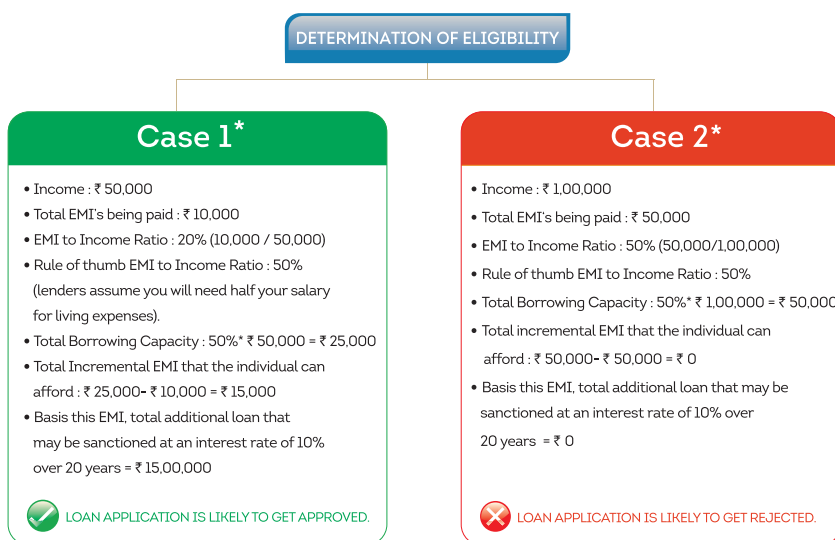
Your CIBIL Score is one of the first checks that a lender does when they are evaluating your loan application. It's important to know that nearly 90% of the loans are granted for individuals with score greater than 750.

The higher your CIBIL Score, the higher are the chances of your loan application getting approved.



### HOW DOES ONE DETERMINE THEIR LOAN ELIGIBILITY?

Loan eligibility is determined using information such as Income, Current EMIs, and Credit Score. Once a Credit Score meets the lenders internal credit policy criteria, they then analyse the documents to understand some key points before approving loan application as mentioned below.



\* For Indicative purpose only.

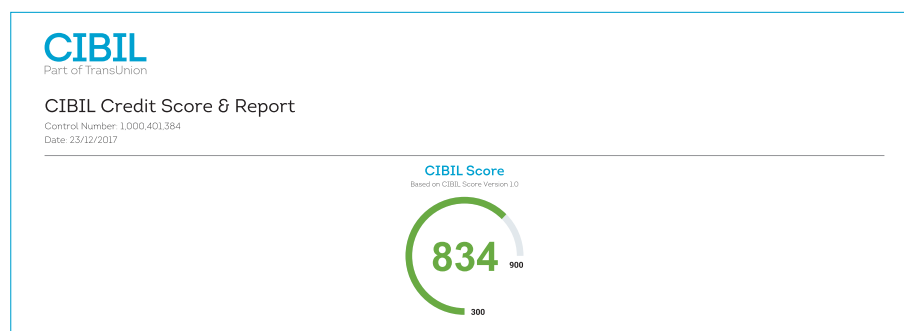
## HOW TO READ YOUR CIBIL REPORT

### HOW TO READ A CIR?

A Credit Information Report (CIR) contains detailed information on the credit you have availed, such as home loans, credit cards, personal loans, automobile loans, overdraft facilities. The Credit Report is divided into 6 sections:

#### CIBIL SCORE

The CIBIL Score reflects your Credit health or your Creditworthiness.



### PERSONAL INFORMATION

It contains your Personal details (Name, PAN Card, DOB) as reported by Banks. Make sure this information is accurate.

Personal Information			
<b>Name</b>	<b>Date of Birth</b>	<b>Gender</b>	
Ajay Joshi	22/04/1970	Male	
<b>Identification Type</b>	<b>Number</b>	<b>Issue Date</b>	<b>Expiration Date</b>
Income Tax ID Number (PAN)	ABC123456	01/01/2001	---
Passport Number	ABC123456	01/01/2001	---

### CONTACT INFORMATION

Various contact details provided by various lenders are recorded here. Up to 4 addresses are mentioned here.

Contact Information			
<b>Address</b>	<b>Category</b>	<b>Status</b>	<b>Date Reported</b>
M/O Health and Family Welfare Delhi- 110009	Not Categorized	---	30/04/2016
NADR Mukherjeengr North West Delhi 510 Ramesh kumar 332 Third floor New Delhi Delhi	Permanent Address	---	12/01/2016
<b>Telephone Number Type</b>	<b>Telephone Number</b>	<b>Extension</b>	
Mobile Phone	1234567890	---	
Landline	1234567890	---	
<b>Email Address</b>			
abell@transunion.com			
atest@gmail.com			

## EMPLOYMENT INFORMATION

Monthly or annual income details are captured here as reported by the lenders. As mentioned at the time of loan application.

Employment Information	
Account Type	Auto Loan (Personal)
Date Reported	28/02/2017
Occupation	Other
Income	5,00,000
Frequency	Monthly
Income Indicator	Gross Income

## ACCOUNT INFORMATION

Contains the details of your credit facilities including names of lenders, type of credit facilities (home, auto, personal, overdraft, etc.), account numbers, ownership details, date opened, date of last payment, loan amount, current balance and a month on month record (of up to 3 years) of your payments.

Account Information			
Account Name	Account Type	Account Number	Ownership
ABC BANK	Auto Loan (Personal)	12345678	Individual
Account Details			
Credit Limit	-		
Sanctioned Amount	5,40,000		
Current Balance	5,30,661		
Cash Limit	-		
Amount Overdue	13,503		
Rate of Interest	-		
Repayment Tenure	60		
EMI Amount	13,503		
Payment Frequency	Monthly		

The below section represents your payment behaviour. Any irregularity in payment is recorded here. Please check the glossary section to understand the terms in detail.

Account Details		Payment Status	
Payment Start Date	01/02/2017		
Payment End Date	01/02/2017		
Payment History			
Dec 2016	9		
Jan 2017	0		
Feb 2017	2		
0: Payment done on time		STD: Standard	DBT: Doubtful
###: Number of days past due		SMA: Special Mention account	LSS: Loss
XXX: Not Reported		SUB: Substandard	

## ENQUIRY INFORMATION

This section details out which lenders are requesting /enquiring for your credit details. The purpose for which the enquiry is made and the approximate amount for it is highlighted in this section.

Enquiry Information			
Member Name	Date Of Enquiry	Enquiry Purpose	Enquiry Amount
ABC BANK	08/01/2016	Credit Card	1,000
DEF ABNK	11/11/2013	Credit Card	1,000
GHI BANK	09/04/2009	Credit Card	25,000
XYZ BANK	17/03/2007	Credit Card	3,00,000

If you have made many applications for loans in a short period of time or have recently been sanctioned new credit facilities, a credit institution is likely to view your application with caution. This behavior of seeking excessive credit indicates that your debt burden is likely to, or has increased and you are less capable of honoring any additional debt, leading to a marginal impact on your Credit Score.

## LOAN REJECTION AND DISPUTES

### WHY ARE APPLICANTS ASKED TO CONTACT CIBIL IF THEIR LOAN HAS BEEN REJECTED?

One of the parameters considered by lenders when evaluating a loan application is the CIBIL Score. The loan would have been rejected because the CIBIL Score does not meet the lenders internal Credit policy criteria. By contacting CIBIL you can purchase your CIBIL Score and Report understand your credit history in detail. The report will indicate the areas that are adversely affecting the Credit Score or will help you identify any discrepancies/errors that may be reflecting against your name.

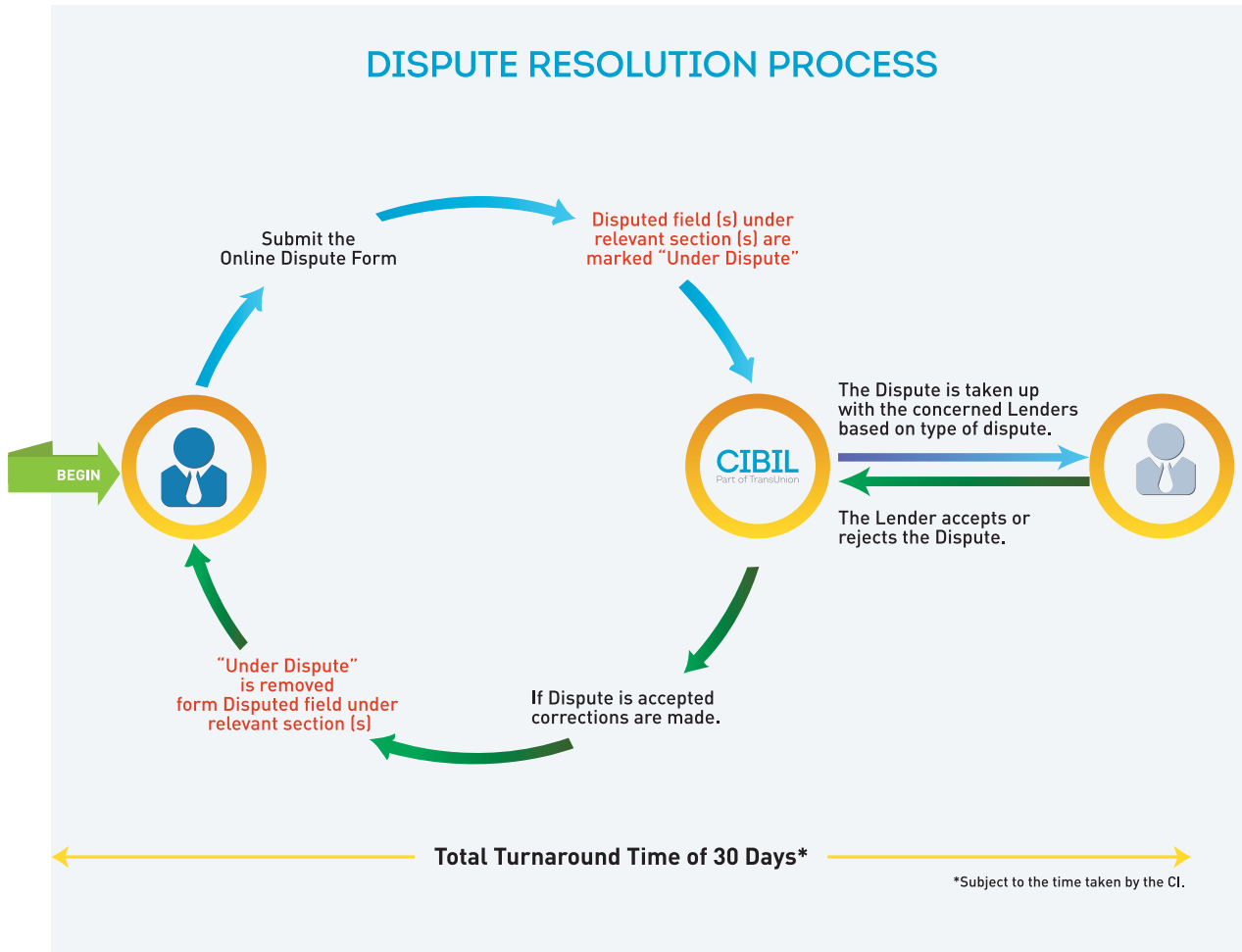
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### WHAT ARE THE TYPES OF DISPUTES/ERRORS THAT CAN BE RAISED WITH CIBIL?

**YOU CAN CONTACT US IF YOU NOTICE ANY ERROR IN YOUR REPORT. THE TYPES OF DISPUTE THAT CAN BE RAISED ARE:**

1. Personal Information: Information such as Name, Date of Birth, Pan Card, Address, etc.
2. Account Information: Information such as Account/Loan Type, status, date of last payment, current balance, amount overdue etc. can be disputed. If you purchased your CIR within 45 days of making the last payment, it may not be updated yet. However, if the 'Date Reported' is older than 2 months, write to CIBIL to update the information.
3. Ownership: Make sure all personal details and accounts belong to you. If an account does not match, raise a dispute.
4. Duplicate Account: If the same account is reflecting more than once, you can get this rectified.

## DISPUTE RESOLUTION PROCESS



\*Subject to the time taken by the CI.



## GLOSSARY

Understanding the terms and keywords	
KEY TERM:	EXPLANATION
AC (ASSET CLASSIFICATION)	It is important to note that some banks report DPD (please refer to the DPD description for more information) as per the Asset Classification norms defined by RBI, which are as follows: DPD Denotes Explanation STD Standard Payments are being made within 90 days. SMA Special Mention Account Special account created for reporting Standard account, moving towards Sub-Standard. SUB Sub-Standard Payments are being made after 90 days. DBT Doubtful The account has remained a Sub-standard account for a period of 12 months. LSS Loss An account where loss has been identified and remains uncollectible.
ACCOUNTS	Only credit facilities get reported on your CIR, such as home, auto and personal loans, overdraft facilities, credit cards, and loan against shares, assets including savings account, fixed deposits, mutual funds and stock investments do not get reported.
ACTUAL PAYMENT AMOUNT	Is the amount you have paid to your lender if it is different from the EMI Amount. This may be more or less than the EMI Amount.
AMOUNT OVERDUE	Indicates the total amount that has not been paid to the lender in a timely fashion (includes principal and interest amount).
CASH LIMIT	Applies to credit cards specifically. It is the amount of cash you are permitted to withdraw from your credit card.
CLOSED LOAN ACCOUNTS	A loan account that has been closed by the lender if you have paid off your loan. It could also be closed if you have not paid off the full loan amount but the status of the account is 'Written Off and Settled'.
CN (CONTROL NUMBER)	This is your report number and is essential if you feel you need to raise a Dispute Request.
COLLATERAL	Is provided to a lender as security to protect the lender in the event you are unable to repay your loan. This may be property, shares, gold, etc.
CREDIT LIMIT	Applies to credit cards and overdraft facilities. It reflects the total amount of credit you have access to with regard to that credit card or overdraft facility.
CURRENT BALANCE	Is the amount you still owe on a particular credit facility. Lenders typically take 30-45 days after your payment is received to update this information with CIBIL.
DPD (DAYS PAST DUE)	DPD or Days Past Due appears in the Account Information section of your CIR. The DPD indicates how many days a payment on that account is late that month. Anything other than "000" or ""STD"" (please refer to the ASSET CLASSIFICATION description for more information) is considered negative by a lender. Up to 36 months of this payment history (with the most recent month displayed first) are provided. On occasion you may see "XXX" reported for your DPD on a certain account which implies that information for these months has not been reported to CIBIL by the bank.
EMI AMOUNT	Is the EMI (Equated Monthly Instalment) that you pay on the loan.
ENQUIRY	Enquiries are added to your report when you apply for a loan or credit card and the lender decides to access your CIR. Details such as the name of the loan provider size and type of loan are captured in this section. Please note that the date of the enquiry may differ from your actual application date because the lender may access your CIR a day or more after you have applied.
HIGH CREDIT	Applies to credit cards and facilities. It reflects the highest amount ever billed (including interest and fees) for that particular credit card or overdraft.
'NA' OR 'NH'	A score of "na" or "nh" is not a bad thing at all. These mean one of the below: a) You do not have a credit history or you do not have enough of a credit history to be scored, i.e. you are new to the credit system. b) You do not have any credit activity in the last couple of years. c) You have all add-on credit cards and have no credit exposure.
OTHERS STATUS	Possible status Explanation Restructured Loans The lender has restructured the loan by offering different terms (For e.g. Extended the loan tenure or reduced interest rate) Restructured loan (Govt mandated) The lender has restructured the loan basis the Government mandate prevailing at the time. Written-off (WO) The lender has written off the amount due (without being able to recover from the -individual) Settled The lender and the -individual have settled the amount outstanding i.e., agreed at a lower value than the actual amount due. Post (WO) Settled amount due Post the account being written off, the lender and the -individual have settled the loan (this settlement amount is generally lower than the actual amount due) Account Sold The lender has sold the particular account to another lender/-financial institution Account Purchased This particular loan account has been purchased from the original lender Account Purchased and Settled The particular loan account has been purchased by the current lender and both the current lender and -individual have reached a settlement with regards to the amount due. Account Purchased and Written off The particular loan account that had been purchased from another financial institution and has now been written-off. Account Purchased & Restructured The particular loan account that had been purchased from another financial institution and has now been restructured with different terms and conditions. Written off and Account Sold The lender has sold the written-off account to another lender/financial institution
OWNERSHIP	This field tells the lender who is responsible for payments on that loan or credit card. There are 4 types of indicators that can appear on your CIR. 1. Single: You are solely responsible for making payments on the account. 2. Joint: You and someone else bear joint responsibility for payments on these accounts. This will also reflect on the other individual's CIR. 3. Authorized User: This is used for 'add-on' credit cards that you may have. While this reflects on your CIR, lenders know that you are not responsible for paying dues on that particular account. 4. Guarantor: A guarantor pledges to repay a loan on behalf of a third party who has taken a loan. Hence, he provides a guarantee to the lender that he will honour the obligation, in case the principal applicant is unable to do so.
REPAYMENT TENURE	Is the term of your loan. This field is to be read with the "PAYMENT FREQUENCY" field in order to accurately understand the term of the loan. For example, 120 at a monthly payment frequency would mean the term of the loans is 10 years.
SANCTIONED AMOUNT	This is the loan amount disbursed to you. Applies to account types other than credit cards and overdraft.
SETTLEMENT AMOUNT	When an amount owed on a loan account is disputed, the individual and lender settle at some amount in between. It's what the lender believes is owed and what the individual believes he should pay. This is the amount the individual has agreed to pay. The rest of the amount (that the lender believes is owed) is written-off by the lender.
SUIT-FILED / WILFUL DEFAULT	In case the lender has filed a suit against you, there is specific reporting prescribed by the Reserve Bank of India (RBI). This is as follows: 1. No Suit Filed (or the field will be blank) 2. Suit filed 3. Wilful Default 4. Suit filed (Wilful Default)
WRITTEN-OFF AMOUNT (PRINCIPAL)	This field reflects the principal amount written-off by the lender. It follows that the difference between the total and principal written-off amounts is the interest amount that has been written-off on this account.
WRITTEN-OFF AMOUNT (TOTAL)	When a loan is written-off there is an interest and principal component. This field reflects the total interest and principal amount written-off.
WRITTEN-OFF AND SETTLED STATUS	If this section is populated, the lender has either restructured your loan by offering you different terms (extended the loan tenure or reduced the interest rate, etc.), written-off this amount, or settled at some amount less than what the lender believes it was owed. The possible values are as follows: 1. Restructured Loan 2. Restructured Loan (Govt. Mandated) 3. Written-off (WO) 4. Settled 5. Post (WO) Settled.

## CASE STUDY SCORE

### HOW A 'GOOD' CREDIT HISTORY HELPS IN GETTING LOWER RATES FOR LOANS?

Mr. Roy wanted a car worth 10.29 lacs, he had 4 lacs and needed an auto loan of 6.29 lacs. He applied for a loan from Bank A, who offered him a quote of 11.70% for a 5 year period; the EMI would be 13,897. Mr. Roy also approached Bank B, who checked his CIBIL Score and Report and offered a lower rate of 11.30% for the same term, bringing down the EMI by 126. Mr. Roy called Bank A to decline their offer since Bank B had given him a better quote. On learning this, Bank A matched the offer by giving him a rate of 10.34%; the EMI would be 13,470, resulting in a total saving of 25,604 over the 5 years. Mr. Roy's good credit history, credit score, and financial discipline earned him almost a 3% discount on an auto loan.