

Aspects of a Standardised Credit Information Report (CIR)

[Recommendation 8.18]

It is not considered necessary to standardise the format of the CIR as such differentiation is essential to promoting competition in the market. However, CICs should standardise the CIR terminology and also have some mandatory key fields. This would provide some comparability for the users between CIRs received from two or more CICs. However, the following aspects may be looked into by the CICs while preparing the CIR:

- i. Reporting Co-borrower and Guarantor: CIC should report co-borrower and guarantor details in the CIRs. This will facilitate deciding on the extent of exposure a bank/FI can consider on an entity. CIR should also give details for the loans availed by the customers in their capacity as borrower/co-borrower/guarantor.
- ii. Reporting Loans Declined: Information relating to loans declined in previous periods to customers/individuals need not be reported by CICs as such information could be prejudicial to the interests of the customer if a rejection in one bank/FI were to be used as a ground to reject the same customer in another bank/FI.
- iii. Unique Identity: CICs may provide a single CIR for one borrower even if the firm/person has more than one address by utilising a unique identification number such as PAN/Aadhaar No. provided by the bank/FI.
- iv. Information on Mortgage of Properties: Information on mortgages of properties is presently not being shared in the consumer bureau format. Banks/FIs may share this data with the CICs which would help them enrich their database.
- v. Multiple Borrowings: In the case of multiple borrowings of the same customer, involving both current and past accounts, information on various accounts may be provided in the order of live accounts, closed accounts and overall position of NPA /wilful default/suit filed status, with limits and liability for each account.
- vi. Linking Consumer and Commercial Reports: It is advised that commercial reports may capture the names of directors/ guarantors/ partners/ proprietor. CICs, while furnishing credit information report on borrowers who have some credit history stored in consumer, commercial and MFI databases, should

- include borrowers' history from all these databases giving comprehensive and complete credit history of the borrowers so that a financial institution could easily gauge the overall indebtedness of the borrowers to the lenders (banks/FIs/NBFC-MFIs/NBFCs, etc.).
- vii. Viewing Account Updates: CICs should provide a special 'view' / 'read-only' access to members to view account level updates in their database through a front-end interface. This would help banks/FIs to confirm or upload account updates / correction request and also in speedy resolving of discrepancies in the CIRs. Necessary steps may be taken to put in place a full-fledged online data correction mechanism as is available in some countries. CICs may make efforts to operationalise such a structure in India at the earliest and in any case within a period of one year, in the interest of customer service.
 - viii. Disclosing Disputed Information in CIRs: CIRs should also provide appropriate disclosures if any information contained therein has been disputed and the matter has not been satisfactorily resolved. If the customer so desires, his/her comment could also be added to the CIR. Certain fields pertaining to consumer dispute viz. dispute code, dispute description, dispute date and consumer comments on disputes (listed in Annex 5 of the Report) may be included in the CIR.
 - ix. Rectifying Wrong Information in CIRs: Banks/FIs as well as CICs should have arrangements in place to receive customer requests for rectification of data in CIRs. As a good practice to maintain high data quality, all erroneous data should be corrected at the source by the bank/FI that originally submitted the data. The CIC should not change borrower data unless the bank/FI submitting the data has rectified it at the source to obviate the risk of updated data being overwritten by erroneous data in the next submission cycle by the banks/FIs.
 - x. Corrected CIRs: In the case of any correction being carried out in the CIR, the CIC may provide a free copy of the corrected report to whom the report had been issued during the previous six months. However, the cost of the CIR may be borne by the members of CICs, if they are responsible for the inaccurate data.
