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RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

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**RBI seeks Public Comments on Report on
Data Format for Furnishing of Credit Information to CICs**

The Reserve Bank of India today released on its website for public comments, the [Report of the Committee to recommend Data Format for Furnishing of Credit Information to Credit Information Companies \(CICs\)](#). Comments may please be [emailed](#) or sent by post to Chief General Manager, Department of Banking Operations and Development, Reserve Bank of India, Shahid Bhagat Singh Marg, Mumbai 400 001 on or before April 30, 2014.

The committee has made wide ranging recommendations on issues relating to credit information, such as, increasing its coverage, format of reports and best practices to be followed by credit institutions, credit information companies (CICs) and the Reserve Bank.

Making credit information more useful

The committee has stated that low usage of credit information by member institutions and other specified users needs to be addressed by requiring CICs to populate their databases with requisite credit information so that enquiries by specified users yield desired information. It has recommended that this can be done by increasing the coverage of credit information in terms of membership (all credit institutions should be members of all CICs) and products (also covering defaults in CPs and such other products) and by creating awareness about Credit Information Reports (CIRs).

Credit Information Report

The committee's recommendations relating to CIR are:

- CICs should have a common classification of Credit Scores so that it would be easier to understand and interpret them. The Committee has recommended that the CIBIL method of calibrating scores from 300 to 900 could be adopted by other CICs.
- CICs should report details of co-borrowers and guarantors.
- CICs may provide a single CIR for a borrower even if there are multiple addresses, using a unique identification number (PAN/Aadhaar No.).
- CICs may have link with the database of Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) which has data on mortgages so that CIRs can also provide information on property mortgages.

- e. An online data correction mechanism may be put in place by CICs to enable members to confirm/upload correction requests.
- f. CIRs should disclose details of disputes relating to information in CIRs and customer comments thereon, if any.
- g. Customer grievance redressal, especially in respect of complaints relating to updation/alteration of credit information, should be given top priority. This may be integrated with existing redressal systems, such as, Banking Ombudsman Scheme.
- h. Banks/financial institutions (FIs) may report cases of wilful default, even in non-suit filed cases, directly to the CICs of which they are members and the system of banks/FIs reporting information on non-suit filed cases of defaulters to the Reserve Bank of India may be dispensed with.
- i. CICs may make available the data in respect of suit-filed cases on their websites in a more user-friendly manner that would facilitate search across periods and banks.

The Committee has further suggested that providing customers with a free copy of their CIRs would help create awareness about the need to have credit discipline, enable customers to correct their behaviour and improve their score well before they plan to avail fresh credit of any kind, help detect identity theft at an early stage, help CICs correct and validate their database and increase their business in the long run. Use of common data formats, including additional information in the formats, such as, dispute codes, consumer comments on dispute, details of collateral, etc., and institutionalising a continuing mechanism for making changes to data formats could help improve data quality, the committee has pointed out. The committee has recommended a common Data Quality Index that could assist credit institutions in determining the gaps in their data and also help move towards improving their performance over a period of time.

Background

The [Second Quarter Review of Monetary Policy 2012-13](#), (October 2012) of the Reserve Bank of India had stated that credit institutions should furnish timely and accurate credit information on their borrowers and make extensive use of available credit information as a part of their credit appraisal process. The post-policy meeting of the Reserve Bank with bankers in October 2012 had emphasised on the need for standardisation of data collection format as well as harmonisation/convergence among CICs to minimise duplication. The Reserve Bank later also met the heads of CICs and it was suggested that a committee comprising a few banks, CICs and the Indian Banks' Association be set up to finalise an updated data format. The committee was then set up with the heads of the CICs, a representative each from Private Sector Bank, Nationalised Bank, Foreign Bank, Urban Cooperative Bank, Non-Banking Financial Company (NBFC), Micro-Finance Institution (MFI), Indian Banks Association (IBA) and the Legal Department of the Reserve Bank as members. Shri Aditya Puri, Managing Director, HDFC Bank Ltd. acted as the Chairman of the Committee while Shri Rajesh Verma, CGM, DBOD was its member secretary. The committee recently submitted its report to the Reserve Bank.