



CIBIL score is an important factor that is considered by lenders at the time of offering you a loan or credit card. It is a numerical summary of your credit history and repayment behavior.

CIBIL stands for Credit Information Bureau (India) Limited. It is India's first Credit Information Company, which was founded in August 2000. After establishment, CIBIL played vital role in Indian Financial System. It helps in collection and maintaining records of Individual payment affecting loans and Credit Card. The member bank and all the credit institution submit their records to CIBIL on monthly basis. The information received from banks and credit institutions would be used to create Credit Information Report and Credit Score that are provided to credit institution to help in evaluation and approving loan applications.

Evolution of CIBIL

Credit Information Bureau (India) Limited was founded 17 years ago in Mumbai, Maharashtra. Here is a look at the key milestones of the credit bureau's journey so far.

2000 - TransUnion CIBIL Limited was set up following recommendations by the RBI Siddiqui Committee

2004 - Launched credit bureau's services in India (consumer bureau)

2006 - Commercial bureau began operations

2007 - CIBIL Score - the country's first risk scoring model for financial institutions - introduced

2010 - Launched CIBIL Detect (the country's first repository for information on high-risk activities) and CIBIL Mortgage Check (the country's first centralized database on mortgages)

2011 - CIBIL Score made available to individual consumers

2016 - TransUnion takes over 82% stake in CIBIL to become TransUnion CIBIL

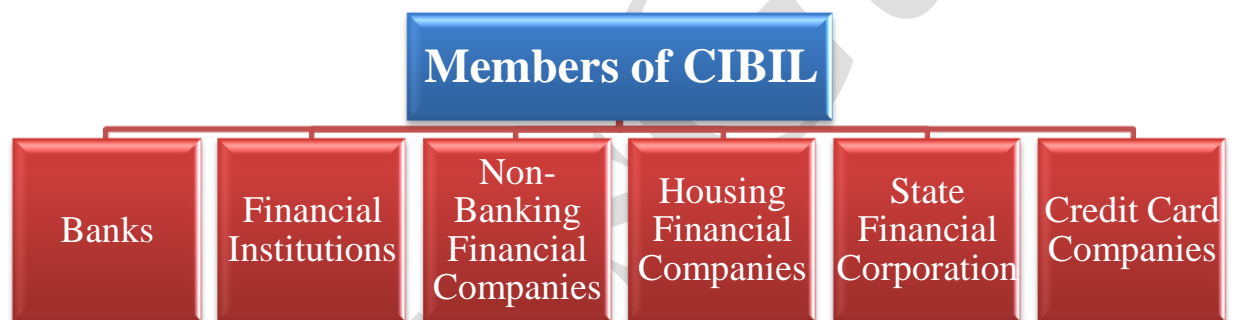
2017 - CIBIL MSME Rank launched by TransUnion CIBIL to drive credit penetration in Micro enterprises and SMEs. TransUnion takes over 92.1% stake in CIBIL.

Role and Importance of CIBIL for Banks

CIBIL scores are very important when it comes to taking loans. When you apply for any kind of home loan product, the first thing loan officers do is to download your CIBIL report to determine your credit worthiness.



If your CIBIL score is high, the odds of getting a home loan are strong, if other factors work in your favor too. You can also bargain on some fees or charges if the lender finds property norms, credit history and income factors satisfactory. But if your CIBIL score is low, your other home loan eligibility norms must be adequate enough for the lender to grant you the home loan amount you need. It is important to know that nearly 90% of the loans are granted for individuals with score greater than 750.



Functions of CIBIL

- The Consumer Bureau of CIBIL keep its dynamic information repository of India for providing its member comprehensive risk management tools
- Consumer Credit Information is important tool used by credit grantor at the time of new customer acquisition.
- Portfolio Review provides the credit grantor with a comprehensive view of their borrower's credit relationships across multiple lenders.

What is an Ideal Credit Score?

The range is from 300 to 900. Any score higher than 750 is a decent credit score. If an applicant has a credit score higher than 750, he/she is likely to get the loan approved and may get an attractive rate of interest. A loan application may be rejected if the credit score comes out to be too low.

Advantages of a High CIBIL Score

- Cheaper interest rates on loans
- Cards with better benefits and rewards
- Avail pre-approved loans
- Loans with longer tenure
- Quicker approval on credit applications
- Negotiation power
- Discount on loan processing fees and other charges
- Higher credit card limit

CIBIL – Products & Services

1. Consumer Credit Information Report (CIR)

- Based on information database of individual borrowers.
- Tool used by credit grantors at the time of new customer acquisitions.
- Provides factual information on credit histories of borrowers enabling institutions to make lending decisions.
- With CIRs credit grantors are equipped to identify risk areas, disburse credit faster, with greater efficiency and grow business profitability.

2. Portfolio Review Report

- An extremely effective tool for credit grantors to review the risk associated with the existing portfolio of customers.
- Provides the credit grantor with a comprehensive view of their borrower's credit relationships across multiple lenders.

3. CIBIL TransUnion Score

- India's first generic score and has become the most trusted indicator for prudent decision making by credit grantors.

- With it, the credit grantor can effectively predict the likelihood of an applicant becoming more than 91 days delinquent on one or more trade lines over the subsequent 12 months.

4. CIBIL TransUnion Personal Loan Score

- First and only score for the Indian market to predict the likelihood of an applicant or customer becoming more than 91 days delinquent on a personal or consumer loan over the next 12 months.
- This score is the result of collaboration between Credit Information Bureau (India) Limited (CIBIL) and TransUnion.

5. Bureau Credit Characteristics (BCC)

List of predefined characteristics summarizing various aspects of a customer's credit information.