

UNDERSTANDING YOUR CIBIL TRANSUNION SCORE

What is the CIBIL TransUnion Score?

The CIBIL TransUnion Score is a 3 digit numeric summary of your credit history. The Score is derived by using the details found in the "Accounts" and "Enquiries" sections on your Credit Information Report (CIR) and ranges from 300 to 900. The closer your Score is to 900, the more favourably your loan application will be viewed by a credit institution. The Score plays a critical role in the loan approval process.

What does my Score mean?

An individual's Credit Score provides a credit institution with an indication of the "probability of default" of the individual based on their credit history. What this means in simple English is that the Score tells a credit institution how likely you are to pay back a loan (should the credit institution choose to sanction your loan) based on your past pattern of credit usage and loan repayment behaviour. The closer you are to 900, the more confidence the credit institution will have in your ability to repay the loan and hence, the better the chances of your application getting approved.

What are the major factors that affect my Score?

There are 4 major factors that affect your Score. These are described below:

- 1 Late payments or defaults in the recent past:** Your payment history has a significant impact on your Score. Hence, if you have missed payments on any of your existing loans, over the last couple of years, your Score is likely to be negatively affected because it indicates that you are having trouble servicing your existing obligations.
- 2 High utilization of Credit Limits:** While the balances on your loans will only reduce over time as payments are made, you must be diligent about making timely payments on your credit cards. While increased spending on your credit cards may not necessarily negatively affect your Score, an increase in the current balance on the card over time is an indication of an increased repayment burden and may negatively impact your Score. It's always prudent to not use too much credit.
- 3 Higher percentage of Credit Cards or Personal Loans (commonly known as Unsecured Loans) on your CIR:** A higher concentration of home loans or auto loans (commonly known as Secured Loans) is likely to be more favourable for your Score than a large number of unsecured loans. Although unsecured loans offer easy access to finance, it's also by far the most expensive form of credit. More the number of unsecured loans with high utilization, larger are the payments resulting from its high rate of interest.
- 4 Behaving "Credit Hungry":** If you have made many applications for loans, or have recently been sanctioned new credit facilities, a credit institution is likely to view your application with caution. This 'Credit Hungry' behaviour indicates your debt burden is likely to, or has increased and you are less capable of honouring any additional debt and is likely to negatively impact your Score.

What does it mean when my Score is "NA" or "NH"?

A Score of "NA" or "NH" is not a bad thing at all. These Scores mean 1 of 3 things:

- 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 have had no credit activity in the last couple of years
- c) You have all add-on credit cards and have no credit exposure

It is important to note that while these Scores are not viewed negatively by a credit institution, some credit institutions' credit policy prevents them from providing loans to an applicant with Scores of "NA" or "NH" (applicants with no credit track record). Hence, you may have better chances applying for a loan elsewhere.

Your CIBIL Credit Information Report (CIR) is a record of your credit payment history compiled from information received from banks and financial institutions. The purpose is to help loan providers make informed lending decisions basis your credit history, quickly and objectively. A healthy Credit Report can get your loan approved faster and often, at better terms.

Contact Information:

Your addresses, telephone, mobile numbers and email addresses as reported by lenders appear here. The address category explains whether the address is a residential address, official address, permanent address or temporary address as reported by the lender. Up to 4 addresses and email addresses are provided.

This section reflects your credit score, which is widely used by loan providers to evaluate loan applications. An individual's CIBIL TransUnion Score ranges between 300-900, and is calculated basis the information in the "Accounts" and "Enquiry" section of the credit report. The closer the score to 900, the more confidence the loan provider will have in your ability to repay the loan and hence, the better the chances of your application getting approved.

Figures indicate the percentage of consumers, who were sanctioned loans during last 1 year and falling in a particular score band at the time of loan application.

For example-57.6% of loan applications approved in the last 1 year were for consumers who had a credit score ≥ 800

This section has your Name, Date of Birth and Gender as reported to CIBIL by the members. Identification lists your identification details as reported by the members. Your Income Tax ID (PAN), Passport, Drivers Licence and Voter ID, that have been reported by the lenders will appear in this section.

Enquiry Information:

This section provides you with details regarding the enquiry made by the lender for your credit application such as name of the lender, date of the application, the type of loan and its size.

Employment Information:

This section contains information on your occupation and income (At the time of opening credit facility) as reported by the lender for a particular credit account.

Account Information:

The most important section of your CIR, this section contains the details of your loans and credit cards. It contains the name of the lender/s, the type of credit facilities (home loan, auto loan, credit card, etc), the account number/s, whether single or jointly held, when each account was opened, date of the last payment, loan amount, current balance, amount overdue (if any) and most importantly, a month on month record of up to 36 months of your payments.

A red band on the left of a report section indicates that the section is under dispute and will be removed when the dispute is closed. Upon closure, the disputed information may or may not be changed as per confirmation received from the lender.

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 informtion) 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. Any account overdue by more than 90 days is classified a Non-Performing Asset (NPA) by banks
	SMA Special Mention Account Special account created for reporting Standard account, moving towards Sub-Standard
	SUB Sub-Standard An account which has remained an NPA for up to 12 months
	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	
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.
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 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 Installment) 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.
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 loan 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 inividual 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"