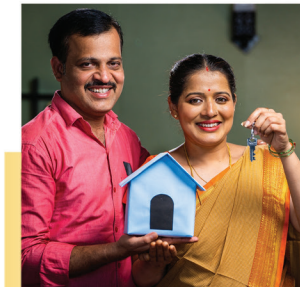


UNDERSTANDING YOUR CIBIL SCORE AND REPORT





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CREDIT AND YOU – WHY IT MATTERS

Credit plays an essential role at different stages of your life. From your first big purchase to retirement, access to credit helps you fulfill personal, professional, and family goals. It helps you to:



Fund higher education or vocational training



Buy your first vehicle or house



Manage emergencies like medical needs or job transitions



Start or grow a small business



Build a financial cushion for your family

Having a good credit profile may help in timely access to credit with favourable terms, better interest rates, and higher loan approval chances. Credit isn't just financial—it's foundational.





YOUR CREDIT JOURNEY WITH TRANSUNION CIBIL



As India's pioneer and trusted credit information company, TransUnion CIBIL is your behind-the-scenes partner throughout your credit journey.

WE WORK WITH BANKS, NBFCs, AND OTHER FINANCIAL INSTITUTIONS TO:



Collect and aggregate credit data reported by your lenders



Generate your CIBIL Score and Report



Help lenders assess risk and make responsible lending decisions



Empower you to take control of your financial future

Every time you apply for a loan or credit card, your lender checks your CIBIL Score and Report. We ensure this information is accurate, updated, and available to you as well.



WHAT IS CIBIL SCORE?

Your CIBIL Score is a three-digit number that summarises your creditworthiness based on your past borrowing behaviour. It's calculated using data such as:



**Credit card and
loan repayment
history**



**Credit utilisation
(how much of your
credit limit is used)**



**Types of credit
(secured and unsecured)**



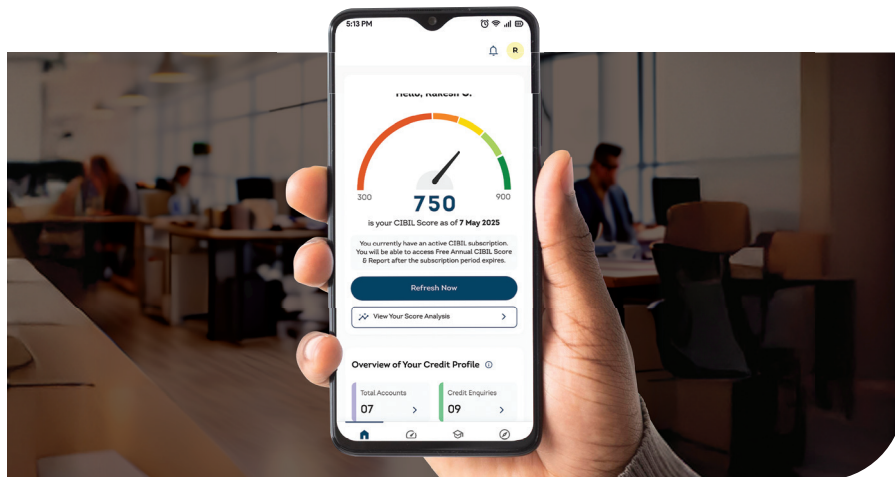
**Age of your
credit accounts**



**Frequency of recent
credit applications**

This score is a first filter for lenders. A strong score reflects financial discipline and improves your chances of credit approval with better terms.

Important: You don't need to be a financial expert to build a good CIBIL Score—just a responsible borrower.





WHAT IS CIBIL REPORT?

Your CIBIL Report or Credit Information Report (CIR) is a detailed snapshot of your credit profile. It includes:



Your personal and contact information



Details of all your credit accounts
(credit cards, loans, etc.)



Payment history and outstanding
balances



Recent credit enquiries
(when lenders checked your report)



Any instances of defaults, write-offs,
or settlements

Lenders use this report to assess your financial credibility before approving a loan.
You can access and monitor your CIBIL Score and Report to keep your credit health in check.



INSIDE YOUR CIBIL REPORT – A SECTION-WISE BREAKDOWN

Here's what you'll find in a standard CIBIL Report:

PERSONAL INFORMATION

- Your name, date of birth, PAN, and identity details as reported by lenders
- Contact Information: Addresses, phone numbers, and email IDs
This section may list multiple entries if you have changed your contact details over time
- Employment Information: Occupation and income details submitted during loan or card applications

ACCOUNT INFORMATION

- Type of credit (e.g., personal loan, credit card)
- Name of lender
- Loan amount, credit limit, and outstanding balance
- Monthly payment history (up to 36 months)
- Account status (open, closed, settled, written-off)

ENQUIRY INFORMATION

A log of who accessed your report and when—typically when you applied for new credit

ROLE OF CIBIL IN THE LOAN APPROVAL PROCESS

Approach Bank for Loan

Step 1



Submit documents for Loan

Step 2



Bank will check eligibility

Step 3



This is where
TransUnion CIBIL
is IMPORTANT

Bank will Sanction or Reject the Loan

Step 4



Now that you have understood what the CIBIL Score and Report is, let's understand the role it plays in your loan application process. When you apply for a loan, the process involves several key steps where TransUnion CIBIL plays a crucial role:

- **Approach the Bank for a Loan:** You visit your bank to apply for a loan
- **Submit Required Documents:** Provide all necessary documents to support your loan application
- **Bank Checks Eligibility:** The bank evaluates your eligibility for the loan. This is where TransUnion CIBIL becomes essential. Your CIBIL Score and Report help the bank assess your creditworthiness, ensuring you meet their lending criteria
- **Loan Sanction or Rejection:** Based on the eligibility check, the bank will either approve (sanction) or reject your loan application

Understanding your CIBIL Score and maintaining a good credit history can improve your chances of loan approval.



THE CYCLE OF GOOD CREDIT

Good credit is not a one-time achievement—it's a cycle of consistent positive behavior. Here's how the cycle works:



Borrow Responsibly:

Apply only for what you need and can repay



Pay on Time, Every Time:

Timely EMI and bill payments protect your credit history



Use Credit Wisely:

Keep your credit utilisation ratio low



Build a Diverse Credit Mix:

Maintain a healthy combination of secured and unsecured loans



Monitor Your CIBIL Score and Report:

Check regularly for course correction if required and identification of errors if any



Grow Your Credit Age:

Keep older accounts open (which reflect timely repayment behavior) to improve credit history

The more consistently you follow this cycle, the more financially confident you become.



BUILDING AND MAINTAINING GOOD CREDIT HEALTH



To stay credit-healthy, cultivate these smart habits:

- Set reminders or automate payments to never miss due dates
- Check your CIBIL Score and Report regularly (TransUnion CIBIL offers one Free CIBIL Score and Report every calendar year)
- Avoid over-extending your credit card limits
- Review credit terms before signing loan agreements
- Dispute any inaccurate information in your CIBIL Report
- Keep track of joint loans or co-signed accounts
- Limit multiple loan applications in a short period

Remember:

Credit health is a long-term commitment. Small steps go a long way.

BUSTING TOP CIBIL SCORE MYTHS

Myth #1

✗ **CHECKING MY CIBIL SCORE WILL NEGATIVELY IMPACT IT.**

✓ It is a common misconception that your **CIBIL Score** may get negatively impacted if you check your own **score and report**. When you check your own **CIBIL Score**, it does not impact it. In fact, doing so at least once annually is a **good financial practice**. It helps you align your efforts towards building your **credit worth**.

Myth #2

✗ **CIBIL SCORE IS BASED ON ONE'S FINANCIAL PORTFOLIO.**

✓ Your **CIBIL Score** is not based on your savings accounts, demat balance or investment portfolio – this score is purely based on your **credit profile**. Making payments **on time**, limiting credit utilisation and maintaining a healthy credit mix helps build a **positive credit profile** and **CIBIL Score**.

Myth #3

✗ **CIBIL CAN MAKE CHANGES TO CONSUMER DATA.**

✓ **CIBIL** can't make any unilateral changes to your **CIBIL Report**. Any change needs to be **authorised and provided** by the concerned **credit institution** before your **CIBIL Report** is updated.

Myth #4

✗ **CIBIL HAS REJECTED MY LOAN APPLICATION.**

✓ **CIBIL** cannot approve or reject any **loan or credit applications**. Loan approval and rejection lie at the discretion of the lenders, but the **CIBIL Score** is one of the **important factors** in the underwriting process.

FREQUENTLY ASKED QUESTIONS

1 HOW DOES MY CIBIL SCORE IMPACT MY LOAN INTEREST RATES?

Your CIBIL Score significantly influences the interest rates offered by lenders. A higher score (closer to 900) indicates lower credit risk, often resulting in lower interest rates. Conversely, a lower score may lead to higher interest rates.

2 WHAT IS THE DIFFERENCE BETWEEN A CIBIL SCORE AND A CIBIL REPORT?

A CIBIL Score is a three-digit number summarising your creditworthiness, while a CIBIL Report (Credit Information Report) provides detailed information about your credit history, including loan accounts, credit card accounts, payment history, and inquiries made by lenders.

3 HOW DO MULTIPLE LOAN APPLICATIONS AFFECT MY CIBIL SCORE?

Each time you apply for a loan, the lender makes a hard inquiry on your CIBIL Report. Multiple inquiries in a short period may impact your score.

4 HOW DOES THE AGE OF CREDIT ACCOUNTS AFFECT MY CIBIL SCORE?

The age of your credit accounts contributes to your score. Older accounts with a good payment history positively impact your score, as they demonstrate long-term credit management.

5 WHAT IS THE IMPACT OF CREDIT UTILIZATION ON MY CIBIL SCORE?

Credit utilisation refers to the ratio of your current credit card balances to your credit limits. High utilisation can negatively impact your score, as it suggests over-reliance on credit.

6 HOW DO SECURED AND UNSECURED LOANS AFFECT MY CIBIL SCORE DIFFERENTLY?

Secured loans (like home or auto loans) are backed by collateral and generally have a more favourable impact on your score compared to unsecured loans (like personal loans or credit cards), which are riskier for lenders.

7 WHAT SHOULD I DO IF MY LOAN APPLICATION IS REJECTED DUE TO A LOW CIBIL SCORE?

If your loan application is rejected, review your CIBIL Report to identify areas for improvement. Focus on timely payments, reducing credit utilisation, and correcting any errors in your report. Over time, these actions can improve your score.

8 HOW LONG DOES NEGATIVE INFORMATION STAY ON MY CIBIL REPORT?

If your loan application is rejected, review your CIBIL Report to identify areas for improvement. Focus on timely payments, reducing credit utilisation, and correcting any errors in your report. Over time, these actions can improve your score.



FREQUENTLY ASKED QUESTIONS

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CAN I GET A LOAN WITH A LOW CIBIL SCORE?

While it is more challenging to get a loan with a low CIBIL Score, some lenders may still offer loans at higher interest rates or with stricter terms. Improving your score can increase your chances of getting better loan offers.

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WHY IS MY CIBIL SCORE IMPORTANT FOR GETTING MY LOAN SANCTIONED?

The CIBIL Score plays a critical role in the loan application process. After an applicant fills out the application form and hands it over to the lender, the lender first checks the CIBIL Score and Report of the applicant. The CIBIL Score works as a first impression for the lender, the higher the score, the better are your chances of the loan being reviewed and approved. The decision to lend is solely dependent on the lender and CIBIL does not in any manner decide if the loan/credit card should be sanctioned or not.

11

WHAT DOES NO HIT MEAN?

A No Hit means that based on the details submitted by you, there isn't adequate credit activity to generate your CIBIL Score & Report. Please note that the same will be available only when any financial institution submits any information pertaining to your credit activity.

12

WHY ARE THE LOANS FOR WHICH I AM A GUARANTOR SHOWING UP ON MY REPORT?

Banks and financial institutions ask for a guarantor for certain loans as a means of security for the loan amount they provide. A guarantor on any form of loan is equally responsible to ensure the repayment of the loan. Hence, the guarantor provides a guarantee to the lender that they will honor the obligation in case the principal applicant is unable to do so. Any default on the payment of the loan by the principal applicant, will affect your CIBIL Score as well.





DISPUTE RESOLUTION

In case you notice any discrepancies in your report, raise a Dispute online by visiting:
<https://www.cibil.com/consumer-dispute-resolution>