



CREDIT INFORMATION CORPORATION

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CIC and SEC Work with Lending and Leasing Companies to Curb Informal Lending via Improved Access to Credit Using Basic Credit Data

Inside the Issue

CDA DECLARES ALL COOPERATIVES TO COMPLY WITH R.A. NO. 9510

The Cooperative Development Authority (CDA) issued Memorandum Circular No. 2019-01 announcing to all its covered cooperatives to comply with Republic Act No. 9510 and begin submission of all their borrowers' basic credit data to the CIC. p. 03

CIC AND SEC WORK WITH LENDING AND LEASING COMPANIES TO CURB INFORMAL LENDING VIA IMPROVED ACCESS TO CREDIT USING BASIC CREDIT DATA

SEC, spearheaded by Chairman Emilio B. Aquino, organized a four-day forum among the financing and lending companies promoting to discuss the existing requirement for compliance to Republic Act No. 9510 also known as the Credit Information System Act (CISA). p. 02

CIC HOLDS IN-HOUSE TECHNICAL TRAINING FOR SUBMITTING ENTITIES

As part of the Credit Information Corporation (CIC) initiative to guide the Submitting Entities (SEs) with their data submission while maintaining harmonious relationship, the CIC continuously conducts whole day in-house technical training workshop. p. 04

CRIF PHILIPPINES PARTICIPATES IN ROADSHOWS TO PROMOTE PRINCIPLE OF CREDIT BUREAU IN PH

On the recent CRIF Excellence Award, the efforts and initiatives of the individuals working behind one of the well-known credit bureaus across the globe were acknowledged and celebrated.

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CONTINUE TO P. 05

SAE'S CORNER

CIC AND SEC WORK WITH LENDING AND LEASING COMPANIES TO CURB INFORMAL LENDING VIA IMPROVED ACCESS TO CREDIT USING BASIC CREDIT DATA

MANILA, PHILIPPINES - 03 April 2019 - The Securities and Exchange Commission (SEC), spearheaded by Chairman Emilio B. Aquino, organized a four-day forum among the financing and lending companies promoting to discuss the existing requirement for compliance to Republic Act No. 9510 also known as the Credit Information System Act (CISA). Supported by SEC Memorandum Circular No. 3 of 2016, which requires financing and lending companies to submit the basic credit data of all their borrowers to the Credit Information Corporation (CIC). The forum promoted the use of CIC's substantial and fast-growing database of credit information to improve the speed, security, and profitability of their business while complying with the law.

SEC Commissioner, Kelvin Lee also showed support in delivering his welcome remarks and expounding on the need to comply with CISA. Atty. Rachel Esther J. Gumtang - Remalante, OIC of the Corporate Governance and Finance Department, also from the SEC, led the preparation and organization of the event.



The CIC is the country's one and only public credit registry with seven million data subjects and close to thirty million contracts in its database. The demographics portion of the data enable rapid and accurate Know Your Client (KYC) and identity confirmation while the transactional portions, which records positive and negative payment behaviors, provides statistical data that can improve the granting of credit to those new borrowers. Within the next eighteen months, the CIC expects to onboard Microfinance and GOCC data which will make the data more robust and representative of the greater population with access to credit. However, access to CIC's database is based on the principle of reciprocity.

Attended by 211 financing and lending companies, and 254 individuals, CIC Senior Vice President for Business Development and Communications Group Atty. Aileen L. Amor-Bautista discussed the legal and regulatory framework of the CIC. She relayed the essence of the existence of a public credit registry as a tool in improving financial inclusion and access to credit. PCEO Jaime Casto Jose P. Garchitorena mentioned that while accessing the CIC database is positioned as a business tool for those who are qualified to access it, submission is, in fact, mandatory. As a regulator of credit information, the CIC will come out with a list of compliant institutions that are compliant to submitting requirements, and may also post a list of entities that actually use credit data in their loan evaluation process.

This is in line with the CIC's support to compliant Submitting Entities (SE) as well as a form of consumer protection by way of informing the borrowing public of institutions that, with credit data, they may be able to offer better credit options.

As part of the orientation on data-driven lending, two of the accredited credit bureaus of CIC, namely, CIBI Information Inc. and CRIF Corporation, have successfully developed usage models using the CIC data, and were tapped to present their analysis on the CIC data's usability and predictive nature.

Both credit bureaus also note the upward trajectory of data collections and quality of the CIC data while emphasizing that an increased number of data contributors could only improve the predictive nature of the data. Significant talking points were case studies showing improvements in the on-boarding of borrowers that have otherwise been rejected while still improving default rates by a significant amount.

Other interesting features of the data were related to the ability to map areas of credit concentration, high default, areas, and other information that could be inferred by potential users of the data while maintaining a high level of compliance to data privacy principles.

To round up the presentation, the concept of individual credit scores was discussed as a critical part of data usage roadmap. The use of credit scores derived from CIC credit would lower cost of lending by reducing the mismatch between borrower expectations by allowing the data subject to map himself to an appropriate financial institution as well as prepare himself for the needed supports, lend to more and increase the market of financial institutions.

CIC stressed that the more credit data submitted to it, the more accurate and comprehensive credit reports would be.

CIC conducts regular in-house technical training as a walkthrough for all the financial institutions on how to be compliant as a submitting entity. For more information about the upcoming trainings, you may send an e-mail to events@creditinfo.gov.ph.



CDA DECLARES ALL COOPERATIVES TO COMPLY WITH R.A. NO. 9510

MANILA, PHILIPPINES - 18 January 2019 - The Cooperative Development Authority (CDA) issued Memorandum Circular No. 2019-01 announcing to all its covered cooperatives to comply with Republic Act No. 9510, and begin submission of all their borrowers' basic credit data to the Credit Information Corporation (CIC).

CDA, alongside Department of Finance (DOF), Department of Trade and Industry (DTI), Bangko Sentral ng Pilipinas (BSP) and Insurance Commission, is a relevant government agency identified to support the implementation of R.A. No. 9510. The CDA is in charge of the registration and regulation of all types of cooperatives in the Philippines. Cooperatives covered by the memorandum circular are those that have the authority to lend and/or perform micro-finance activities both to individuals and cooperative borrowers.

It is reiterated in Memorandum Circular No. 2019-01, dated 5th of November 2018 signed by the CDA Chairman Orlando R. Ravanera, that cooperatives engaged in lending and/or micro-financing activities and/or extending credit facilities, have the obligation to submit comprehensive, accurate, current, objective, and factual basic credit data of all their borrowers.

President and CEO Jaime P. Garchitorena said that having the full support of the CDA, being the cooperatives' regulatory agency, is a significant step in achieving many of the inclusive lending targets of the National Government.

Cooperatives are often designated as conduits of funding for the purpose of supporting agricultural and non-agricultural based ventures, and that cooperatives have the advantage of being closest to the underserved and un-served markets who have the potential of developing creditworthy records. Having cooperatives submit the credit behaviors of their members will also allow other Government Agencies to assess cooperatives for the ability to maintain acceptable NPL ratios and identify Cooperatives that embody best practice in lending.

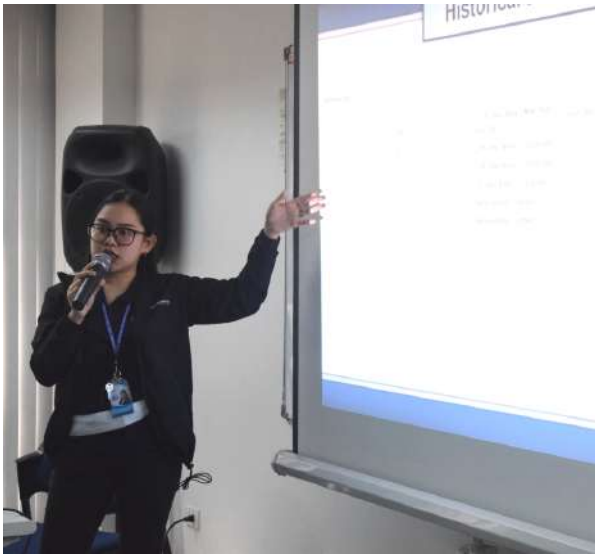
"Currently, the CIC has around 600 medium and large cooperatives registered for submission of data and this is expected to considerably increase with the CDA's Memo Circular. As part of our capacitation assistance, since 2015, the CIC has continuously provided series of technical trainings with the support of various cooperative federations across the country, we expect this to continue in 2019," Garchitorena also said. There are roughly 1,800 reporting large and medium cooperatives as classified by the CDA as of 27 July 2016.

Having a centralized credit registry is a very crucial endeavor towards moving the Philippine lending industry away from collateralized lending practices for individuals and micro-small and medium enterprises (MSMEs). The availability of CIC's Credit Reports, coupled with Credit Scores being offered by the CIC's accredited credit bureaus or Special Accessing Entities, will also allow risk-based lending at par with other progressive economies for lenders and will facilitate a fact and data based roadmap for borrowers as they improve their credit behaviors.

This is also considered vital in increasing the volume of lending from 28% to 40% especially that preliminary data released by the Bangko Sentral ng Pilipinas (BSP) on January 8, 2019 showed that outstanding loans of commercial banks have slowed down to 16.8% last November 2018 specifically in credit card loans and motor vehicle loans, and other types of household loans.

Currently, CIC's database has more than Five Million unique data subjects and over Twenty Million contract records.

The CIC has been making Credit Reports available on a limited test basis to authorized accessing entities since late 2018 as part of its system and security testing phase. The CIC has also been making Credit Reports available to consumers since January 2019 as a part of its consumer access program.



CIC CONTINUOUSLY HOLDS IN-HOUSE TECHNICAL TRAINING FOR SUBMITTING ENTITIES

MAKATI CITY - As part of the Credit Information Corporation (CIC) initiative to guide the Submitting Entities (SEs) with their data submission, the CIC continuously conducts whole day in-house technical training workshop in line with the compliance of the SEs with Republic Act No. 9510 also known as Credit Information System Act.

The CIC thoroughly guides various banks, cooperatives, financing institutions and individuals to the procedures and requirements of basic credit data submission. These credit data, as explained by the CIC, shall be consolidated into a comprehensive and reliable credit report.

A credit report contains basic credit information such as name, address, TIN, SSS or GSIS numbers, employer, business, loan contracts and other obligations with lending institutions. The CIC would like to inform all SEs that all available data in their system are required to be submitted, especially for subject details, in order for the CIC system to provide a higher rate of matching data of individuals.

Use of any dummy or default value is strongly prohibited even if the required IDs (i.e. Tax Identification Number or "TIN"; Social Security System or "SSS"; or Government Service Insurance System or "GSIS") are not available.

As an alternative, all the available IDs in SEs system are required to be submitted. Although the records with no TIN, SSS or GSIS Number will not be loaded, this will enlighten the CIC as to the condition of the records in all the financial institutions, and discover other IDs that can be used to improve data collection.

For financial institutions and individuals that are interested to attend the upcoming in-house technical training, you may call CIC at (02)-236-5900 or send an e-mail at events@creditinfo.gov.ph.



SAE's CORNER

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CRIF has been on an evolutionary journey in exploring, deep-diving and developing data science and analytical solutions in the area of data score cards.

On its counterpart in the country, the CRIF Philippines continuously and eagerly promotes effective and profitable usage of credit data through its various roadshows. CRIF had participated in numerous activities such as speaking engagement in Mindanao Microfinance Council event, Chamber of Thrift Banks Annual Convention, and engaging in financing and lending companies on usage of credit data at the recently held event by SEC.



TransUnion Appoints Satish Pillai to President, Asia

Newly created role reflects ongoing growth of TransUnion's international business

TransUnion (NYSE:TRU), a leading global information solutions provider, announced today the appointment of Satish Pillai to the newly created role of President of TransUnion Asia. He will have accountability for operations in the Asia Pacific and India regions, the latter of which is TransUnion's fastest-growing market. The appointment is effective August 1, 2019.

Pillai has served as Managing Director and Chief Executive Officer of TransUnion CIBIL, India's leading credit information company, since July 2015, where he has helped grow TransUnion CIBIL by 30.4% CAGR (compound annual growth rate) over the last four years. In his new role, he will continue to drive TransUnion's International strategy across Asia Pacific markets and extend our global solutions to consumers and businesses across the region.

"At TransUnion, we help enterprises deliver better, more relevant customer experiences that result in profitable and sustained business growth, while also resulting in more opportunities and a higher quality of life for consumers," said David Neenan, President of International for TransUnion. President of International for TransUnion.

"The creation of the new role of President of TransUnion Asia reflects the ongoing growth and opportunity of our international business.

As TransUnion continues to support economic and consumer financial health across Asia, Satish Pillai brings great leadership and expertise to our regional business."

Within the Asia Pacific region, Neona Wang will remain Chief Executive Officer of TransUnion Hong Kong and Pia Arellano will remain Chief Executive Officer of the Philippines. TransUnion will appoint a new Chief Executive Officer of TransUnion CIBIL.

"TransUnion is providing important information services to businesses and consumers worldwide," said Pillai. "I look forward to my new role and am excited to work with an outstanding team of professionals across the TransUnion Asia region."

Pillai brings more than 15 years of experience in financial services and analytics. He previously served as Chief Operating Officer of TransUnion CIBIL and has also held positions at American Express, Banco Popular North America and Wachovia Bankcard Services. He earned a master's degree in economics from the University of Florida.

Pillai assumes leadership of Hong Kong and Philippines in place of Lawrence Tsong, long-time regional President & Chief Executive Officer of TransUnion's Asia Pacific region. Tsong is retiring at the end of July following a year-long succession planning period.

"Lawrence Tsong leaves a legacy of tremendous impact for TransUnion and the people of Hong Kong and the Philippines," said Neenan. "We thank Lawrence for his contributions and wish him the best in the future."



The CIC's accredited credit bureaus or Special Accessing Entities (SAEs) are: CIBI Information Corporation; Compuscan Philippines, Inc.; CRIF Philippines; and TransUnion Information Solutions Philippines.





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