

Reporting procedure of Credit Card information to the Credit Information Bureau of Sri Lanka (CRIB)

The Sri Lanka Credit Information Bureau (CRIB) is a centralized credit information repository established by the Credit Information Bureau of Sri Lanka Act No. 18 of 1990 and is an independent statutory body having a public –private partnership with the Monetary Board of the Central Bank. It collects credit-related data from financial institutions and maintains records of individuals' credit histories, loan repayment behaviors, and credit scores. SL CRIB provides credit reports to authorized lenders to assess the creditworthiness of borrowers when they apply for loans or credit facilities. It plays a vital role in promoting responsible lending practices and assisting lenders in making informed decisions regarding credit approvals.

Banks report various types of credit-related information to the Sri Lanka Credit Information Bureau (SL CRIB) to maintain accurate records of borrowers' credit histories. The information typically includes:

1. **Loan Accounts:** Details of loans provided to customers, including the type of loan (e.g., personal loan, mortgage, credit card), loan amount, outstanding balance, repayment terms, and payment history (e.g., whether payments are made on time or if there are any defaults).
2. **Credit Card Accounts:** Information on credit card accounts, such as credit limits, outstanding balances, payment history, and any delinquencies.
3. **Default and Delinquency Information:** Details of any defaults, late payments, or delinquencies on loan accounts or credit cards.

These information are updated each month by the respective lending institution

Advantages of Maintaining a Good Credit Profile:

Access to Better Financing: A positive credit profile allows access to loans and credit facilities with favorable terms, including lower interest rates and flexible repayment options and higher credit limits enabling greater financial flexibility and purchasing power.

Disadvantages of Maintaining a Poor Credit Profile

Limited Access to Credit: Individuals with poor credit profiles may struggle to obtain loans or credit cards, and if approved, they may face higher interest rates and stringent repayment terms. Poor credit often results in higher interest rates and fees, increasing the overall cost of borrowing and potentially leading to financial strain. Further, a bad credit profile can limit opportunities for homeownership, business ventures, and other significant financial endeavors, hindering long-term financial stability.

Maintaining a Healthy Credit Profile:

Timely Repayments: Consistently pay credit card bills and loan installments on time to demonstrate reliability and improve your creditworthiness.

Regular Credit Monitoring: Monitor your credit report regularly through SL CRIB to identify any discrepancies or errors, addressing them promptly to maintain accuracy.