

# Online Appendix for A Dynamic Theory of Lending Standards

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## Part I

### Discussion

One reason underlying the negative externality from tight lending standards is the assumption that information on previous rejections is unobservable and non-verifiable. Does this mean our model is inapplicable to credit markets in which credit bureaus track borrowers?

First, note that our model applies to information above and beyond publicly available information. As we described, it applies to borrowers within a given credit score bracket, which summarizes the past credit information contained in the credit bureau. Second, credit bureaus typically do *not* track much of the information that lenders might investigate prior to making a loan, and that might be uncovered by tight lending standards in our model. The second part of this appendix contains extensive details about the prevalence, coverage, and information provided by credit bureaus around the world. None of the countries that we investigated have credit bureaus that report whether credit was denied or instead turned down by the borrower. While many credit bureaus, like consumer bureaus in the U.S., delineate whether a credit check is *hard*, meaning associated with an application for credit, or *soft*, due to account review, marketing, or possibly hiring, only about half of the credit bureaus report the purpose of previous credit checks. Even with information on hard credit checks, lenders typically cannot tell whether a borrower who recently applied for a loan, applied for a mortgage, a car loan, or a credit card.<sup>1</sup>

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<sup>1</sup>Further, a past credit check without a subsequent loan does not indicate that a given borrower failed a past lending standard. The borrower may have applied for a job, or may have simply decided not to take the loan (decided not to buy

Finally, we note that our model may apply even in situations in which credit bureaus accurately track borrowers if lending standards are applied to collateral instead of borrowers. That is, if tight lending standards evaluate and reject on the basis of collateral (e.g. an appraisal of a house), then credit bureaus do not address the externality of tight lending standards because they track borrowers, not the assets they wish to fund.

Given the negative externality in our model, why don't credit bureaus track rejections? Our model suggests that bureaus do not track credit rejections because it is not incentive compatible for a bank-borrower pair to report a negative evaluation or to report a rejection.<sup>2</sup> As we subsequently discuss, statements from credit bureaus are consistent with this reasoning and suggest that credit bureaus are unable to enforce the reporting of soft information that it is not privately optimal to report.

While mature credit markets in legal environments with low-cost enforcement mechanisms may track information about borrowers that mitigates the negative externality associated with tight lending standards, we conclude that this tracking appears to be insufficient to eliminate the key externality in most countries' credit markets.

We now provides additional discussion and information on credit bureaus around the world.

Credit bureaus, as opposed to credit registries, track borrowers and provide information about them to lenders.<sup>3</sup> When a borrower approaches a lender that is a member of a credit bureau, the lender can perform a *credit check* before making a loan, which involves getting a *credit report* from the bureau. Credit reports provide information on borrowers including existing credit and payment histories. In addition, many credit bureaus keep track of information about past credit checks and

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that house or car, or decided to pick a different credit card). Importantly, in practice, lenders can evaluate borrowers before verifying their information via a credit report and leave no trail of credit checks for rejected borrowers. That is, as is common in mortgage markets for example, banks can fully apply their lending standards on the basis of information reported by the borrower and additional information gathered by the bank, and only verify information with a credit report for borrowers that pass the lending standard. Thus many applications are not recorded.

<sup>2</sup>Other models suggest different reasons. For example ? show the striking result that introducing a credit registry that tracks borrowers' loan application histories but not the borrowing rates offered can lead to more adverse selection and quicker market breakdown. In that model, acquiring information on a borrower is costless and the result follows from the fact that a lender who knows that a borrower's offer was rejected does not know whether the borrower was bad or whether the borrower demanded a too-low interest rate.

<sup>3</sup>Credit registries are more widespread than credit bureaus, but registries only track the history of outstanding credit and/or loan payments and delinquencies. In our model, and probably in reality, outstanding loans do not assist banks in discriminating among borrowers who have recently been rejected. Credit registries seem to serve the purpose of providing information to assist a bank in setting loan terms, such as loan amount and interest rate based on payments-to-income ratio and/or pre-existing liens on collateral.

include this information on credit reports. Table 1 describes credit reports for credit bureaus in different countries around the world.

**Table 1:** Data captured by credit bureaus

	Coverage? (consumers/firms)	Reporting required?	Credit checks				Rejections reported?
			On report for $\leq$ months	Hard check labeled?	Who requested?	Purpose?	
<b>Advanced Economies</b>							
Australia	Both		60	Yes	Yes	Yes	No
Canada	Both		72	Yes	Yes	No	No
European Union (AnaCredit)	Firms	By law	0	NA	No	No	No
France	Firms	By law	0	NA	No	No	No
Germany	Both	For access	12	Yes	No	No	No
Ireland	Both	By law	60	Yes	Yes	Yes	No
Italy	Both		6	Yes	Yes	Yes	No
Japan	Consumers	For access	6	Yes	Yes	Yes	No
Singapore	Both		24	Yes	Yes	Yes	No
South Korea	Both		0	NA	No	No	No
Taiwan	Both		3	Yes	Yes	Yes	No
United Kingdom	Both		24	Yes	Yes	Yes	No
United States	Both	Voluntary	24	Yes	Yes	Yes	No
<b>Emerging Economies</b>							
China	Both	By law	24	Yes	Yes	Yes	No
India	Both		24	Hard only	Yes	Yes	No
Malaysia	Both		12	Hard only	Yes	No	No

Blank cells are missing data.

Note: All information is from consumer credit reports and Bureau FAQs, except for EU and France, see part 2 of this appendix for sources.

In most countries, a bank that conducts a credit check can generally observe past credit checks and whether the borrower subsequently did or did not receive a loan. The information in the bureaus tends to be available only to entities in the bureau’s network, although some countries’ bureaus sell the information to entities outside the credit market. In some countries like Japan and Germany, bureau members are required to report in exchange for access, but in other countries reporting is voluntary or only required by bureau members (second column of Table 1). Most credit bureaus, like consumer bureaus in the US, delineate whether a credit check is *hard*, meaning associated with an application for credit, or *soft*, due to account review, marketing, or possibly hiring. Records of credit inquiries stay in credit report from 2 months in Taiwan to 24 months in the U.S. to 60 months in Ireland.

Importantly, however, none of the countries that we investigated have credit bureaus that report whether credit was denied or turned down by the borrower (final column of Table 1).<sup>4</sup> Further, credit bureaus generally contain only rudimentary information about the initiator of previous

<sup>4</sup>For example, Experian UK states “Here’s what our role doesn’t involve: - We aren’t told which applications are successful or refused. - We don’t know why you may have been refused credit.” A possible exception is Experian Italy.

credit checks, such as whether they were banks, mortgage brokers, utilities, etc., and some in some countries, such as South Korea, France, and Germany, even this information is not recorded (fifth column). And only about half of the credit bureaus report the purpose of previous credit checks (sixth column), so that a credit card issuer for example does not know if a previous credit check was associated with an application for a credit card, mortgage, car loan or job.

A past credit check without a subsequent loan does not indicate that a given borrower failed a past lending standard. The borrower may have simply decided not to take the loan (decided not to buy that house or car, or decided to pick a different credit card). Importantly in practice, lenders can evaluate borrowers before verifying their information via a credit report and leave no trail of credit checks for rejected borrowers. That is, as is common in mortgage markets for example, banks can fully apply their lending standards on the basis of information reported by the borrower and additional information gathered by the bank, and only verify information with a credit report for borrowers that pass the lending standard. Thus many applications are not recorded.

As noted, our theoretical model suggests that bureaus do not track credit rejections because it is not incentive compatible for banks to report rejections. Statements from credit bureaus are consistent with this reasoning and suggest that credit bureaus are not able to enforce the reporting of soft information that it is not privately optimal to report. First, bureaus state that they want to avoid arbitrating arguments over rejections. Rejection is easy to hide (e.g. just offer unfavorable loan terms) and hard to verify (consistent with our assumptions). Second, bureaus store only verifiable information due to privacy and legal concerns. Credit checks are hard information, rejections are not. Every credit bureau lists data verification and correction measures on their website.

Finally, we re-emphasize that our model may apply even in situations in which credit bureaus accurately track borrowers if lending standards are applied to collateral instead of borrowers. That is, if tight lending standard evaluate and reject on the basis of collateral (e.g. an appraisal of a house), then credit bureaus do not address the externality of tight lending standards because they track borrowers not the assets they wish to fund.

We conclude that mature credit markets in legal environments with low-cost enforcement mechanisms may exhibit various mechanisms for mitigating, but maybe not eliminating, the negative externality associated with tight lending standards.

## Part II

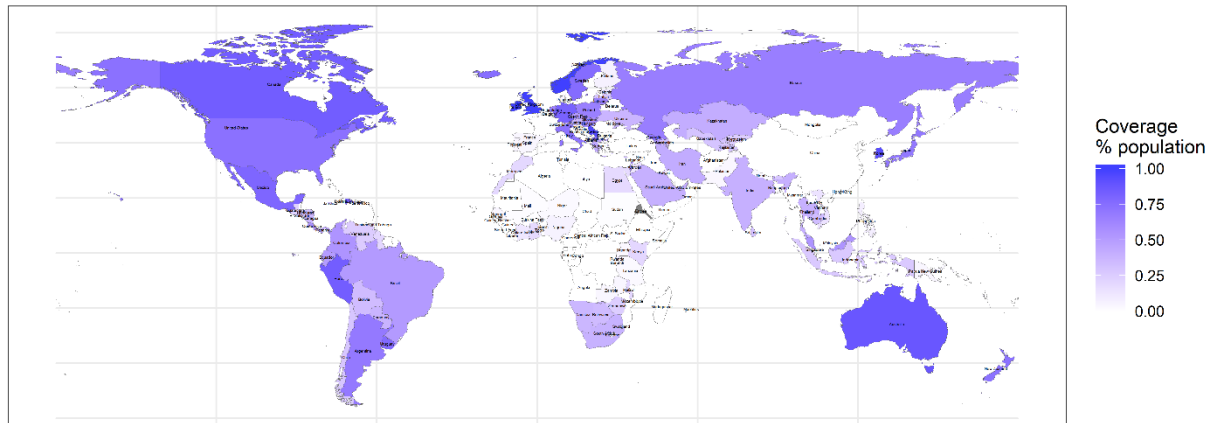
# Credit Bureaus Data

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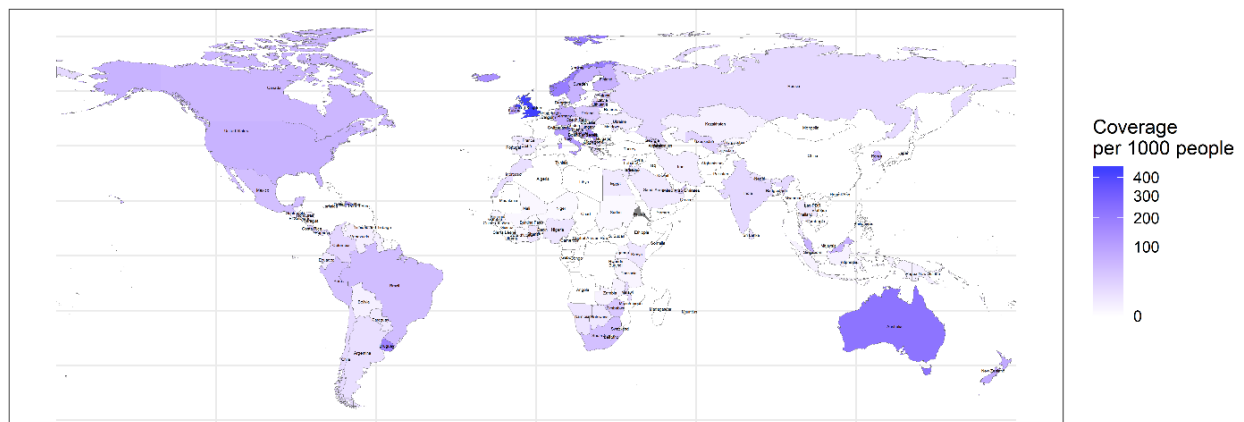
We provide the background information on credit registries, credit bureaus, and credit reports in different countries around the world just discussed in Part I and presented in Online Appendix Table 1.

The World Bank provides an overview and guidelines for credit reporting in [General Principles for Credit Reporting](#), September 2011,<sup>1</sup> and [Credit Reporting Knowledge Guide](#), 2012.<sup>2</sup> These documents include how to develop credit registries/bureaus in member countries, as well as best practices, goals, and concerns. The World Bank also shows wide heterogeneity in the coverage rate of individuals or firms by credit bureaus or registries in different countries and regions.

Credit bureau coverage of individuals



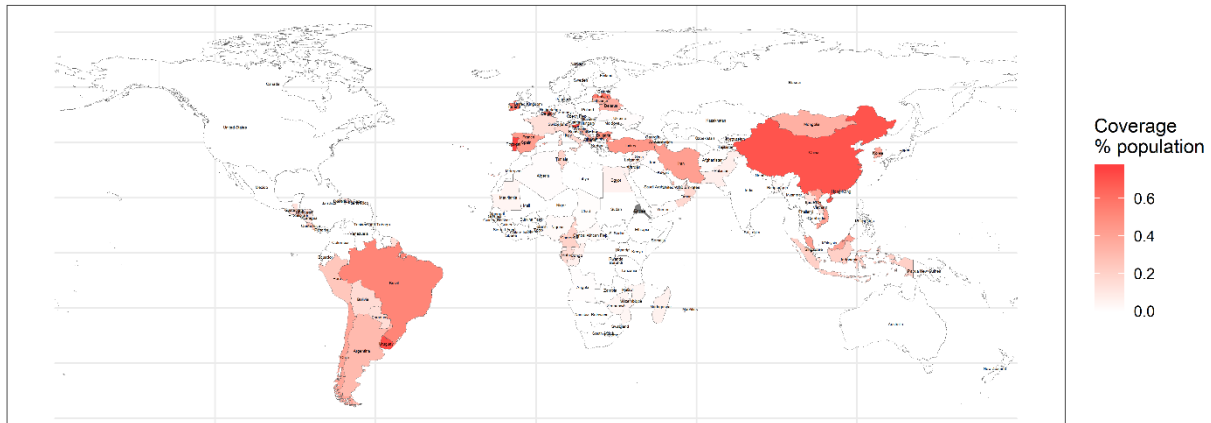
Credit bureau coverage of firms



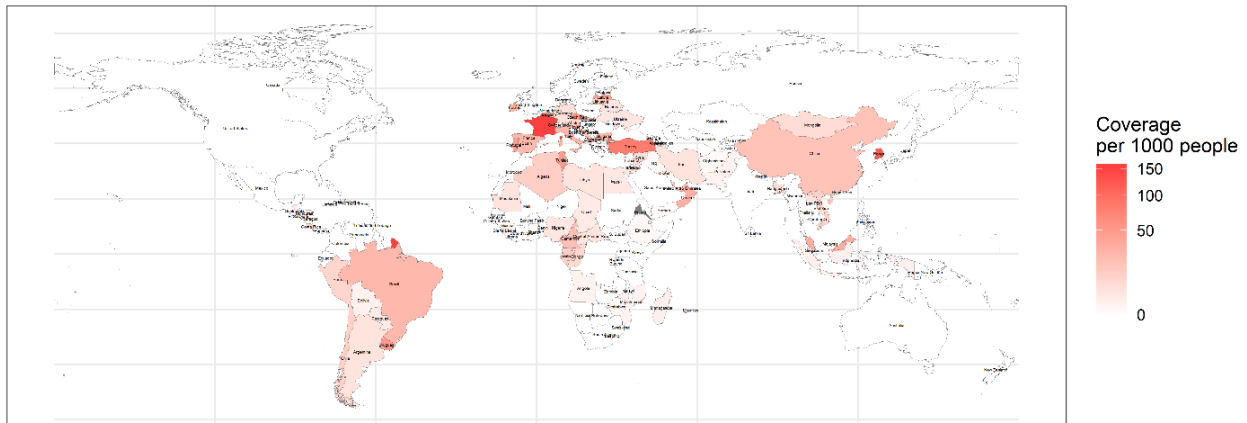
<sup>1</sup> <http://documents.worldbank.org/curated/en/662161468147557554/pdf/70193-2014-CR-General-Principles-Web-Ready.pdf>

<sup>2</sup> <https://www.ifc.org/wps/wcm/connect/2bc067fb-80e8-429c-b2e1-2e6e059fc153/Credit+Reporting+lowres+NEW.pdf>

Credit registry coverage of individuals



Credit registry coverage of firms



The balance of this appendix gives the source materials for Table 1 by country.

## United States

### Sources

[Fair Credit Reporting Act](#) [FCRA]<sup>3</sup>

[CDIA Metro 2 Standard](#) [CDIA]<sup>4</sup>

[Data Reporting at Equifax](#) [Eqfx member]<sup>5</sup>

[Experian BusinessIQ Premier Sample report](#) [Expn BIQ]<sup>6</sup>

[Equifax Small Business Report](#) [Eqfx Business]<sup>7</sup>

Personal credit reports from Experian, Equifax, and TransUnion [personal reports]

<sup>3</sup> [https://www.ftc.gov/system/files/545a\\_fair-credit-reporting-act-0918.pdf](https://www.ftc.gov/system/files/545a_fair-credit-reporting-act-0918.pdf)

<sup>4</sup> [http://robertweed.com/resources/2011\\_Credit\\_Reporting\\_Resource\\_Guide.pdf](http://robertweed.com/resources/2011_Credit_Reporting_Resource_Guide.pdf)

<sup>5</sup> [https://www.equifax.com/commercialsolutions/nacs/documents/EFX\\_Trade\\_Data\\_Acquisition.pdf](https://www.equifax.com/commercialsolutions/nacs/documents/EFX_Trade_Data_Acquisition.pdf)

<sup>6</sup> <https://www.experian.com/assets/business-information/brochures/businessiq-premier-profile-ps.pdf>

<sup>7</sup> [https://assets.equifax.com/assets/uis/small\\_business\\_sample\\_credit\\_report.pdf](https://assets.equifax.com/assets/uis/small_business_sample_credit_report.pdf)

**Who is rated:** individuals and firms. FCRA only governs individual consumers [FCRA 603(c)]. FCRA is generally not applicable to commercial credit, except some terms [mixed discussions: [Blog 1](#), [Blog 2](#)].

**Who can see:** Any potential lenders, employers, insurers, licensers [FCRA 604]. Reporting members can access credit reports for free [Eqfx member].

**When to report:** No legal requirement [[Blog 3](#)]. If reported, reports must follow Metro 2 Format on a monthly or a payment cycle basis [CDIA Pg. 2-2, Pg. 4-16].

**Are applications/checks reported:** Yes, both hard and soft [personal reports].

**Are rejections reported:** No. However, if lenders can see other lenders' names, it could potentially be inferred by matching credit applications and current accounts [personal reports].

**What can lenders see: Personal:** reports show existing credit type and their terms, lender's name, amount, balance, payment history, date of opening [personal reports]. **Business:** lenders can see total trade and collection balance, payment terms, where other lenders are anonymized [Expn BIQ 74-89, 104-110].

**Can lenders see others' checks:** Yes. **Personal:** Unclear what details lenders can see, but at least not any soft inquiries. Personal reports contain, for hard inquiries: date, credit type, and creditor's name. For soft inquiries: date, reason ("Account Review", "Promotion", etc), and requester's name [personal reports].

**Business:** lenders can see inquiry date and lender category ("Financial", "Utility", etc) [Eqfx Business, Experian BIQ 103].

## United Kingdom

### Sources

[Consumer Credit Act 1974 \(CCA\) Sections 157-160](#) [CCA]<sup>8</sup>

[FAQ from Money Advice Service](#) [MAS]<sup>9</sup>

[Equifax UK Business Insights](#) [Eqfx BI]<sup>10</sup>

[Equifax Optima](#) [Eqfx Opt]<sup>11</sup>

[Experian UK sample report for business](#) [Expn Business]<sup>12</sup>

A UK individual's own Experian credit report [Expn Personal]

### Questions

**Who is rated:** individuals and business [CCA Sec 158 (4A)].

**Who can see:** Banks, credit card companies and other credit providers [MAS]. **Lending to business:** data is provided to companies who share their credit data [Eqfx BI].

**When to report:** Personal: Undetermined. Business: monthly [Eqfx BI].

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<sup>8</sup> <http://www.legislation.gov.uk/ukpga/1974/39/data.pdf>

<sup>9</sup> <https://www.moneyadviceservice.org.uk/en/articles/how-to-check-your-credit-report>

<sup>10</sup> [https://assets.equifax.com/assets/unitedkingdom/business\\_insights\\_ccds\\_ps.PDF](https://assets.equifax.com/assets/unitedkingdom/business_insights_ccds_ps.PDF)

<sup>11</sup> <https://www.equifax.co.uk/equifax/commercial/Equifax%20Optima.pdf>

<sup>12</sup> [https://www.buinessexpress-uk.com/docs/T-EBEDemo\\_BusinessReport\\_Registered.pdf](https://www.buinessexpress-uk.com/docs/T-EBEDemo_BusinessReport_Registered.pdf)

**Are applications/checks reported:** Yes, both hard and soft [Expn Personal].

**Are rejections reported:** No evidence of being reported.

**What can lenders see:** Unclear what details lenders can see. Personal reports contain, for current credit accounts: terms, lender's name, amount, balance, payment history, date of opening. **Lending to business:** Current account data: balances, credit/debit turnover, reject payments, facility utilization. Business credit cards: credit, overdraft, cash advances. Loans: type, amount, balance, repayments. Covering 80% of SMEs in the UK [Eqfx BI].

**Can lenders see others' checks: Personal:** Unclear what details lenders can see, but at least not any soft inquiries ("searches" in British English) or any credit decisions [Expn Personal]. Personal reports show name, date, reason of inquiry ("credit application", "providing a quote", etc); records stay for 12 months [Expn Personal]. **Business:** Yes but only the number of inquiries [Eqfx Opt, Expn Business].

## Canada

### Sources

No federal-level laws. Commonly referred: Ontario's [Consumer Reporting Act](#) [CRA]<sup>13</sup>

[TransUnion FAQ](#) [TU FAQ]<sup>14</sup>

[TransUnion personal sample report](#) [TU]<sup>15</sup>

[Equifax personal sample report](#) [Eqfx Personal]<sup>16</sup>

### Questions

**Who is rated:** natural persons only. Business excluded from the act [CRA 1 (1)]. I haven't found any sample business report.

**Who can see:** lenders, landlords, employers, insurers, other business needs that have the consumer's consent [CRA 8]. Lenders provide information in exchange for access to the bureau. [TU FAQ]

**When to report:** Undetermined.

**Are applications/checks reported:** Yes, both hard and soft [Eqfx Personal].

**Are rejections reported:** No evidence of being reported.

**What can lenders see:** Personal: Unclear what details lenders can see. Reports show current account type, term, amount, balance, date of opening, high amount, and payment history [Eqfx Personal].

**Can lenders see others' checks: Personal:** Yes. Unclear what details lenders can see. At least lenders can't see soft inquiries. Personal reports show, for both soft and hard inquiries: date of inquiry and inquirer's name [Eqfx Personal]. Hard inquiries stay on the report for 6 years, same as other adverse information. [TU FAQ] **Business:** Undetermined.

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<sup>13</sup> <https://www.ontario.ca/laws/statute/90c33>

<sup>14</sup> <https://www.transunion.ca/customer-support/faq>

<sup>15</sup> <https://www.canada.ca/en/financial-consumer-agency/services/credit-reports-score/sample-credit-report-transunion.html>

<sup>16</sup> <https://www.canada.ca/en/financial-consumer-agency/services/credit-reports-score/sample-credit-report-equifax.html>



## Australia

### Sources

[Privacy Act 1988 Part IIIA: Credit Reporting](#) [PACR]<sup>17</sup>

[Equifax credit report sample](#) [Eqfx Personal]<sup>18</sup>

[MoneySmart from Australian Government](#) [FAQ]<sup>19</sup>

### Questions

**Who is rated:** individuals only, business reporting is excluded from the act [PACR Section 20C].

**Who can see:** credit providers, mortgage insurers [PACR Section 20E].

**When to report:** Undetermined.

**Are applications/checks reported:** Yes, both hard and soft [Eqfx Personal].

**Are rejections reported:** No evidence of being reported.

**What can lenders see:** Unclear what details lenders can see. Personal report contains: employment history, current credit account type, date of opening, secured/unsecured (but no details about collaterals), amount, balance, history, default/arrears [Eqfx Personal].

**Can lenders see others' checks: Personal:** Yes. Unclear what details lenders can see. Personal reports show, for hard inquiries: date of application, name of creditor, credit type ("Credit card", "Mortgage", "Utilities", etc) and applied amount. For soft enquiries: date of inquiry and name of inquirer [Eqfx Personal]. **Business:** Undetermined.

## Ireland

### Sources

Ireland recently established its central credit registry which requires reporting by law. Lenders still need to pay to pull lenders' report, so it's also a credit bureau.

[Guidance on the Central Credit Register](#) [GCCR]<sup>20</sup>

[CCR sample report](#) [CCR personal]<sup>21</sup>

### Questions

**Who is rated:** companies, consumers, individuals, anyone applying for credit [GCCR].

**Who can see:** potential lenders and continuing lenders. No evidence that lenders can pull report for marketing or account review purposes (soft enquiries are not allowed).

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<sup>17</sup> <https://www.legislation.gov.au/Details/C2019C00241>

<sup>18</sup> <https://web.archive.org/web/20191217114428/https://www.moneysmart.gov.au/media/499937/credit-report-sample.pdf>

<sup>19</sup> <https://www.moneysmart.gov.au/borrowing-and-credit/borrowing-basics/credit-reports>

<sup>20</sup> <https://www.centralcreditregister.ie/media/1294/ccr-guidance-v-21.pdf>

<sup>21</sup> <https://www.centralcreditregister.ie/media/1240/61-sample-credit-report-and-explanation-of-terms1.pdf>

**When to report:** > 500 euro credit [GCCR p.20], monthly reporting required by law [GCCR p.31].

**Are applications/checks reported:** Yes, hard enquiries only [GCCR p.68]. Date of application, name of creditor, type of credit, and amount applied are recorded. Application records stay for 6 months [CCR personal].

**Are rejections reported:** No evidence of soft inquiries being reported. In particular, lenders are not required to make an inquiry when they have rejected the application before completing its own application process [GCCR p.65].

**What can lenders see:** Unclear what details lenders can see. Report shows: credit type, name of creditor, amount, term, balance, amount of next payment, date of next payment, number of overdue payments. No interest rate, employment, or income information [CCR personal].

**Can lenders see others' checks: Personal:** Unclear what details lenders can see. At least lenders cannot see other lenders' names [GCCR p.70]. Personal reports show, for hard enquiries: inquirer's name, date of inquiry, and purpose ("New Applications", "Restructure", etc). Soft enquiries are not allowed [CCR personal]. **Business:** Undetermined.

## India

### Sources

[CIBIL-TransUnion personal sample report](#) [CIBIL Personal]<sup>22</sup>

[CIBIL-TransUnion business sample report](#) [CIBIL Business]<sup>23</sup>

### Questions

**Who is rated:** people [CIBIL Personal] and firms with more than 1 million rupees in loan (about 14,000 USD) [CIBIL Business].

**Who can see:** CIBIL members – only those members who have provided all their data to CIBIL are permitted to access [CIBIL Business].

**When to report:** Undetermined.

**Are applications/checks reported:** Yes, hard inquiries only [CIBIL Personal, Business].

**Are rejections reported:** No evidence of being reported [CIBIL Personal, Business].

**What can lenders see:** Personal: Unclear what lenders see. Reports show existing credit type, creditor's name, term, amount, balance, overdue (if any), and **interest rate** [CIBIL Personal]. Lenders see outstanding credit type, balances, overdue (if any), terms, secured/unsecured, payment amount and frequency, other creditors' name fields are populated with "not disclosed" [CIBIL Business].

**Can lenders see others' checks: Personal:** Unclear what details lenders can see. Personal report only shows hard inquiries, which list creditor's name, date of application, type of credit ("Credit card" etc) and

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<sup>22</sup> <https://www.cibil.com/resources/docs/CIBIL-Report-Understanding.pdf>

<sup>23</sup> <https://www.cibil.com/resources/docs/understand-your-cibil-company-credit-report.pdf>

amount applied for [CIBIL Personal]. **Business:** Lenders can see date of enquiry, type, and amount applied, but creditor names (except the inquirer itself) are hidden [CIBIL Business].

## European Union

### Sources

[AnaCredit Manual I-II-III](#) [Manual]<sup>24</sup> was established by the ECB to enforce macroprudential and monetary policies, and monitor credit risk and stability. Only corporation loans more than 25,000 euro are reported. Agents start reporting monthly to AnaCredit since 2018.

Various summaries and FAQs available: [\[ECB\]](#)<sup>25</sup> [\[BIS\]](#)<sup>26</sup> [\[JWG Analysis\]](#)<sup>27</sup>

### Questions

**Who is rated:** credit for corporations only. Mortgage loans and personal credit expected to cover in near future. [ECB] **Note:** borrower data is anonymous, so the data is probably not valuable to lenders anyway [JWG, Manual]

**Who can see:** The ECB and other national central banks in the European System of Central Banks have full access. Other international institutions (e.g. BIS and IMF) have limited access. No evidence of for-profit use. [BIS]

**When to report:** Required by law, but national central banks can waive it for small lenders. [ECB]

**Are applications/checks reported:** No.

**Are rejections reported:** No.

**What can lenders see:** Lenders don't have access.

**Can lenders see others' checks:** Lenders don't have access.

## Germany

### Sources

[German Central Credit Register](#) [German CCR]<sup>28</sup>

[SCHUFA sample report: positive version](#) [Personal positive]<sup>29</sup>

[SCHUFA sample report: negative version](#) [Personal negative]<sup>30</sup>

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<sup>24</sup> [https://www.ecb.europa.eu/stats/money\\_credit\\_banking/anacredit/html/index.en.html](https://www.ecb.europa.eu/stats/money_credit_banking/anacredit/html/index.en.html)

<sup>25</sup> <https://www.ecb.europa.eu/explainers/tell-me-more/html/anacredit.en.html>

<sup>26</sup> [https://www.bis.org/ifc/events/ifc\\_isi\\_2017/23\\_gruenberg\\_paper.pdf](https://www.bis.org/ifc/events/ifc_isi_2017/23_gruenberg_paper.pdf)

<sup>27</sup> <https://jwg-it.eu/10-things-you-need-to-know-about-anacredit>

<sup>28</sup> [https://www.ifc.org/wps/wcm/connect/293d1635-0439-4007-af5a-efdd852f6bba/session\\_2\\_michael\\_ritter\\_bundesbank\\_heure\\_10h00.pdf?MOD=AJPERES&CVID=INSU94r](https://www.ifc.org/wps/wcm/connect/293d1635-0439-4007-af5a-efdd852f6bba/session_2_michael_ritter_bundesbank_heure_10h00.pdf?MOD=AJPERES&CVID=INSU94r)

<sup>29</sup> <https://www.schufa-bonitaetsauskunft.de/pdf/180321-BA-positiv.pdf>

<sup>30</sup> <https://www.schufa-bonitaetsauskunft.de/pdf/180410-BA-negativ.pdf>

[SCHUFA for Business](#) [Business]<sup>31</sup>

[SCHUFA business full insight](#) [Business FI]<sup>32</sup>

[SCHUFA facts & figures](#) [Overview]<sup>33</sup>

[SCHUFA FAQ](#) [FAQ]<sup>34</sup>

Experian Germany is more of a consulting/data analytics firm than a credit reporting agency.

## Questions

**Who is rated:** 67.7 million individuals and 6 million companies [Overview]. German CCR has a high threshold (1 million euro balance over 3 months)—a small coverage rate [German CCR].

**Who can see:** Personal: Landlords (mentioned frequently), as well as banks, credit unions (Volksbanks and Landesbanks), mail order/eCommerce, physical retailing, and telecommunications [Personal positive]. Landlords see the counterfeit-proof version that the tenant pulls him/herself [FAQ]. Business: Undetermined.

**When to report:** Quaterly [German CCR]. Undetermined [SCHUFA].

**Are applications/checks reported:** Personal: Yes, unclear hard or soft [FAQ]. Personal sample report does not contain inquiry information [Personal negative]. Business: No evidence of being reported, may appear in sub-reports [Business].

**Are rejections reported:** No evidence of being reported [Personal negative]. No evidence of being reported, may appear in sub-reports [Business].

**What can lenders see:** Unclear what details lenders can see. Personal sample reports contain, for current credit account: date of opening, amount, term [Personal positive]. Lenders generally don't see which company you are a customer of [FAQ]. Business reports contain, credit report (details unclear), bank details, balance sheets, income statement, collection/insolvency information [Business FI]

**Can lenders see others' checks:** Yes, details unclear. Google translation unclear: "Erhalten Unternehmen, die bei der SCHUFA Informationen über mich anfragen, alles, was über mich gespeichert ist? ...Anfragen (zum Beispiel im Rahmen eines Kreditvertrages) werden von uns zwölf Monate taggenau gespeichert, unabhängig davon, ob die Geschäftsbeziehung zustande gekommen ist oder nicht... SCHUFA-Vertragspartnerunternehmen werden Anfragen nur 10 Tage lang mitgeteilt." [FAQ]

## France

### Sources

Banque de France established its rating system to facilitate

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<sup>31</sup> <https://www.schufa.de/en/corporate-customers/credit-rating/>

<sup>32</sup>

[https://www.schufa.de/en/media/redaktion/unternehmenskunden/dateien\\_1/pibs/1903\\_PIB\\_Vollauskunft\\_WEB\\_en.pdf](https://www.schufa.de/en/media/redaktion/unternehmenskunden/dateien_1/pibs/1903_PIB_Vollauskunft_WEB_en.pdf)

<sup>33</sup> [https://www.schufa.de/en/about-us/company/schufa-facts-figures/inhaltsseite\\_7.jsp](https://www.schufa.de/en/about-us/company/schufa-facts-figures/inhaltsseite_7.jsp)

<sup>34</sup> <https://www.meineschufa.de/aktion/faq-auskunft>

[Banque de France rating reference guide](#) [BdF guide]<sup>35</sup>

[A sample letter from BdF to a rated firm](#) [BdF letter]<sup>36</sup>

[Monetary and Financial Code](#) [MFC]<sup>37</sup>

Note: credit cards operate differently in France: they have to associate with a bank account and one cannot spend more than the account balance. For mortgages, borrowers also need to have an account with 24 months of payment and buy life insurance with the lender as the beneficiary. In other words, personal credit-based lending is not prevalent in France. [[get a credit card in France](#)] [[buy a home in France](#)]

Experian France is more of a consulting/data analytics firm than a credit reporting agency.

## Questions

**Who is rated:** business with annual turnover of > 750,000 euro [BdF].

**Who can see:** National banks and rated companies themselves [BdF, BdF letter].

**When to report:** Required by law [MFC L. 141-6]

**Are applications/checks reported:** No evidence of being reported.

**Are rejections reported:** No evidence of being reported.

**What can lenders see:** Lenders can see a company's rating, but unclear if they could see the report. Reported information includes accounting records, trade bill payment, bank loans. [BdF]

**Can lenders see others' checks:** No evidence of being reported.

## Italy

### Sources

[Experian Italy Consumer Protection Service](#) [Expn Personal]<sup>38</sup>

[Introduction to Risk Center \(Bank of Italy\)](#) [CCR guide]<sup>39</sup>

[Central Risks and Credit Information Systems \(overview\)](#) [CCR overview]<sup>40</sup>

### Questions

**Who is rated:** CCR: entities with more than 30,000 euro in debt [CCR overview]. Experian: Undetermined.

**Who can see:** banks, financial intermediaries, insurance companies, utilities/communications, etc, not limited to member institutions [Expn Personal].

**When to report:** Monthly [Expn Personal].

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<sup>35</sup> <https://entreprises.banque-france.fr/sites/default/files/media/2016/12/29/the-banque-de-france-rating-reference-guide.pdf>

<sup>36</sup> [https://www.sedlogistique.fr/images/tmpl/PDF/COTATION\\_BANQUE\\_DE\\_FRANCE\\_SEDLOG\\_ANGLAIS\\_2019.pdf](https://www.sedlogistique.fr/images/tmpl/PDF/COTATION_BANQUE_DE_FRANCE_SEDLOG_ANGLAIS_2019.pdf)

<sup>37</sup> <https://www.banque-france.fr/sites/default/files/media/2017/03/27/statutes-of-banque-de-france.pdf>

<sup>38</sup> <https://www.experian.it/experian/area-consumatori/Informativa-SIC>

<sup>39</sup> <https://www.bancaditalia.it/pubblicazioni/guide-bi/guida-centrale/guida-centrale-rischi.pdf>

<sup>40</sup> <http://www.curaituoisoildi.it/centrali-rischi-e-sistemi-di-informazioni-credizie/>

**Are applications/checks reported:** Yes, unclear hard or soft [Expn Personal]. CCR data cannot be accessed for marketing/sales [CCR overview].

**Are rejections reported:** No evidence of being reported.

**What can lenders see:** Undetermined.

**Can lenders see others' checks:** Unclear, but at least they can't see other lenders' names [CCR guide]. Experian personal reports contain the type of credit, the amount, status of repayment, status of application, and execution of contract [Expn Personal].

## Japan

### Sources

Three credit reporting agencies established by industry associations: CIC and JICC mainly by Japanese credit card companies (JCB, Orico, etc), KSC (aka JBA) mainly by Japanese banks (Mizuho, SMBC, etc). The three are connected through two information sharing networks: CRIN and FINE [[JICC's explanation](#)]<sup>41</sup>. I have not found similar networks in other countries.

[CIC personal credit report](#) [CIC Personal]<sup>42</sup> note: lenders seem to see a different version, but I haven't found that version online.

[CIC data management system](#) [CIC management]<sup>43</sup>

[CIC institution member rules](#) [CIC rules]<sup>44</sup>

[JICC personal credit report](#) [JICC Personal]<sup>45</sup>

[KSC personal credit report](#) [KSC Personal]<sup>46</sup>

[Installment Sales Act](#) [ISA]<sup>47</sup>

### Questions

**Who is rated:** people [CIC, JICC, KSC].

**Who can see:** Members in the association [CIC management].

**When to report:** Members must report consumer's information and must refer to the bureau when receiving credit applications [CIC rules].

**Are applications/checks reported:** Yes, both hard and soft [CIC Personal]. Application records (and consequential enquiries) must be reported and are kept for 6 months [ISA].

**Are rejections reported:** No evidence of being reported [CIC Personal].

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<sup>41</sup> [https://www.jicc.co.jp/credit\\_info/information\\_exchange/](https://www.jicc.co.jp/credit_info/information_exchange/)

<sup>42</sup> <https://www.cic.co.jp/mydata/pc/documents/cicsample.pdf>

<sup>43</sup> <https://www.cic.co.jp/confidence/management/management.html>

<sup>44</sup> <https://www.cic.co.jp/joiningcic/memberrule.html>

<sup>45</sup> [https://www.jicc.co.jp/vcms\\_lf/kaiji-DM.pdf](https://www.jicc.co.jp/vcms_lf/kaiji-DM.pdf)

<sup>46</sup> [https://www.zenginkyo.or.jp/fileadmin/res/abstract/pcic/open/kaiji\\_viewpoint.pdf](https://www.zenginkyo.or.jp/fileadmin/res/abstract/pcic/open/kaiji_viewpoint.pdf)

<sup>47</sup> <http://www.japaneselawtranslation.go.jp/law/detail/?vm=04&re=01&id=2334>

**What can lenders see:** Undetermined what lenders can see. Reports contain current employment information, and for each current credit account the following information: applied/approved amount, term, type/reason, balance, payment history/status, if collateralized/cosigned. Finally, the same set of information for the person's spouse [CIC, JICC, KSC].

**Can lenders see others' checks: Personal:** Unclear what details lenders can see. Personal reports show, for hard inquiries: application date, creditor's name, type of credit ("credit card", "uncollateralized loan", "product installment", etc), applied amount, scheduled payment periods, and (installment only) product purchased with the loan ("cell phone", etc). For soft inquiries, the report shows inquirer's name, date and purpose ("developing credit", "account review", etc) of the inquiry. [CIC Personal] **Business:** Undetermined.

## Korea, South

### Sources

[NICE Holdings](#)<sup>48</sup> email response [email] and sample personal report [Personal].

### Questions

**Who is rated:** individuals and firms [email].

**Who can see:** Undetermined.

**When to report:** Undetermined.

**Are applications/checks reported:** No [email].

**Are rejections reported:** No, except application misconduct [email].

**What can lenders see:** Creditors, terms, amount, collaterals of existing loan/credit card. Length, date, amount of arrears/default (> 3 months). Amount, date, guarantors of loan guarantees. Creditor, date, amount, balance of debt adjustments.

**Can lenders see others' checks:** No [email].

## Malaysia

### Sources

[Central Bank of Malaysia sample credit report](#) [CBM sample]<sup>49</sup>

CBM email response [email]

### Questions

**Who is rated:** individuals, firms, associations, government entities, etc.

**Who can see:** "participating financial institutions": all licensed banks, insurance companies, building societies, government agencies, etc, with consent from the borrower.

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<sup>48</sup> <http://eng.nice.co.kr/main.nice>

<sup>49</sup> [http://creditbureau.bnm.gov.my/files/Credit\\_Report\\_Sample.pdf](http://creditbureau.bnm.gov.my/files/Credit_Report_Sample.pdf)

**When to report:** Required to report.

**Are applications/checks reported:** Yes, hard inquiries only.

**Are rejections reported:** No evidence of being reported [CBM sample]. Pending applications stay for 12 months.

**What can lenders see:** Current account: amount, term, approval date, repayment status & history, account type, balance, collateral type.

**Can lenders see others' checks: Personal:** Yes. Borrowers and lenders see the same report [Email]. Sample report contains: application date, status ("approved" or "pending"), lender's name (unclear if using pseudonyms), and amount applied for. Some other fields are left blank in the sample---unclear if they could be filled [CBM sample]. **Business:** Undetermined.

## China, mainland

### Sources

[Regulation on the Administration of Credit Investigation Industry](#) [RACII]<sup>50</sup>

[People's Bank of China personal credit report for lenders](#) [PBCL]<sup>51</sup>

[People's Bank of China personal credit report for borrowers](#) [PBCB]<sup>52</sup>

Note: China definitely has a private credit bureau, Baihang Credit. Not sure why WB did not count.

### Questions

**Who is rated:** people and firms. Any entity that has applied for credit from banks. [RACII]

**Who can see:** Any bank that receives the borrowers' consent/application [RACII]. Employers, landlords and small lenders sometimes ask the applicant to retrieve a report on site [anecdote]

**When to report:** Required to report [RACII], but many small banks and lending companies could not afford or conform to the standard [anecdote]. Unclear if reporting in exchange for information access.

**Are applications/checks reported:** Yes. Both hard and soft [PBCB].

**Are rejections reported:** No [PBCL, PBCB].

**What can lenders see:** Amount, creditor, term, interest rate, type (many details) of existing credit accounts, loan guarantees. Payment history. [PBCL] In the lender's version, the entity (except the lender itself) is anonymized. [PBCL, PBCB]

**Can lenders see others' checks: Personal:** Yes. Both lenders' and borrowers' version show inquiries in the last 24 months. Lenders can see, for both hard and soft inquiries: date of enquiry, pseudonyms of the

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<sup>50</sup> <http://www.lawinfochina.com/display.aspx?lib=law&id=12585>

<sup>51</sup> <https://zhuanlan.zhihu.com/p/54272252>

<sup>52</sup> <http://www.pbccrc.org.cn/zxxz/grzx/201401/2141558a28cd4f8dae8e2a6e70728210.shtml>



enquirer (“Commercial Bank AB” etc), and the reason of enquiry (“credit card application”, “account review”, etc). [PBCL, PBCB] **Business:** Undetermined.

## Taiwan

### Sources

[JCIC report reading instructions](#) [JCIC]<sup>53</sup>

### Questions

**Who is rated:** individuals and firms.

**Who can see:** financial institutions that received a borrower’s application or approval.

**When to report:** Undetermined

**Are applications/checks reported:** Yes, both hard and soft.

**Are rejections reported:** No.

**What can lenders see:** Existing loans/credit cards: amount, balance, type, creditor, repayment status. Amount, balance, creditor, status for defaults and arrears.

**Can lenders see others’ checks: Personal:** Yes. All inquiries stay in the report for 3 months. Unclear what details lenders see. Personal report shows, for both hard and soft inquiries: date of inquiry, inquirer’s name (including the branch’s name), and reason (“new loan”, “account review”, “under consent”, “someone’s delegate”, etc). **Business:** Undetermined.

## Singapore

### Sources

[Credit Bureau Singapore Enhanced Consumer Credit Report](#) [CBS]<sup>54</sup>

### Questions

**Who is rated:** individuals.

**Who can see:** members of the CBS, 20 banks.

**When to report:** Undetermined

**Are applications/checks reported:** Yes, both hard and soft.

**Are rejections reported:** No evidence of being reported.

**What can lenders see:** Undetermined

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<sup>53</sup> [https://www.jcic.org.tw/main\\_ch/fileRename/fileRename.aspx?uid=79&fid=253&kid=2](https://www.jcic.org.tw/main_ch/fileRename/fileRename.aspx?uid=79&fid=253&kid=2)

<sup>54</sup> <https://www.creditbureau.com.sg/enhanced-consumer-credit-report.html>

**Can lenders see others' checks: Personal:** Yes. All inquiries say in the report for 2 years. Unclear what details lenders see. Personal sample report contains, for both hard and soft inquiries: date of inquiry, name of inquirer ("Bank A", "Bank B", etc, unclear if anonymized), reason of inquiry ("New Application", "Review, etc), product type ("house purchase", "motor vehicle loan", etc), and account type ("Joint" or "Single"). **Business:** Undetermined.