



**The Credit
Reference Bureau
(CRB)
Mechanism**

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What is the CRB Mechanism?



Every time you borrow a loan or an advance from a lender (such as a bank, Sacco, Microfinance Institution, etc.), the lender will keep information on your loan; including your identification details, contacts, amount borrowed and check repayment of your loan to ensure you pay back as promised.

Your lender shares this information with other lenders to assist them in understanding your overall repayment performance. This sharing is done through **Credit Reference Bureaus (CRBs)**.

*“A CRB is a company that collects information on loans and advances (credit); and create reports on each borrower’s overall credit and their associated repayment patterns. These reports are referred to as **Credit Reports**”*

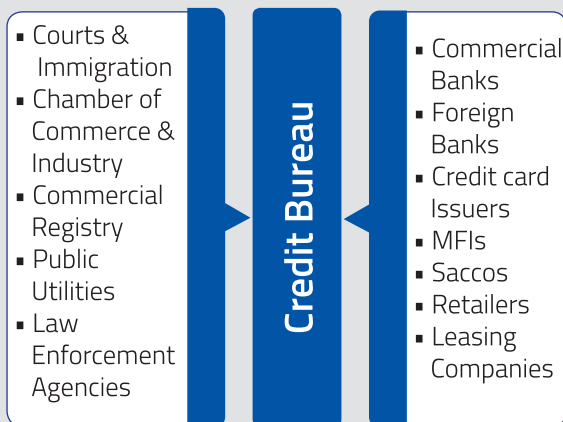
This sharing of your information through CRBs is what is called the CRB Mechanism. It is also referred to as Credit Information Sharing (CIS) or Credit Reporting.

What information is shared through the CRB?



Information on all loans borrowed (both performing and non-performing) is shared. This is also referred to as positive and negative information.

The identities of persons who have taken the loans is also shared. This information can only be shared once you have given permission.



Who can access information in the CRB?



You can access your information at the CRB. The Law entitles a borrower to one free credit report annually.

The following entities can also access your information:

- Commercial banks and microfinance banks – These entities can access your credit information when you approach them for a loan or advance and if you have an existing loan with them.
- An agent of the borrower – A borrower can give consent to a third-party to access his/her credit report from the CRB. This may include lenders that are not mandated by law to share.
- Central Bank of Kenya- for monitoring purposes.

What are the benefits of the CRB Mechanism?



For the borrower

- It motivates you to pay your loan promptly.
- It distinguishes good borrowers from persistent bad borrowers
- It helps you to avoid over borrowing

For the lender

- It reduces the level of non-performing loans
- It increases the speed of loan approvals; which has resulted in automated mobile loans
- It strengthens the risk management processes

Why should I have a good record at the CRB?



A good credit record builds trust between you and the lender. With time, a lender will ease the terms and conditions for you to acquire a loan.

What happens when I delay or fail in making loan repayments?



Late payments will damage your credit record at the CRB. This will make it difficult for you to access loans in future. However, once you regularize your accounts and ensure prompt payment in future, the health of your credit record at the CRB improves.

How many CRBs are there in Kenya?



Currently, there are three CRBs licensed and regulated by the Central Bank of Kenya namely:

- TransUnion CRB
- Metropol CRB
- CreditInfo CRB

The market remains open for new CRBs to be licensed.

What if I have a running loan that is not reflected in my credit report?



It means that the lending institution where you took the loan has not shared this information with the CRB or you may be required to give the lender your consent to share this information with the CRB.

What rights does a borrower have in the CRB Mechanism?



A borrower has the right to

- Know what information about him/herself has been shared through the CRBs
- Access his/her information at the CRBs.
- A borrower is entitled to one free credit report annually
- Dispute erroneous information contained in his/her report; and to ensure that the correct information has been updated at the CRB
- Be notified by a lender, that his/her information has been shared through the CRBs
- Be notified by a lender, that negative information will be shared through the CRBs if he/she does not regularize his/her loan accounts

Whom should I contact if I have a problem with my credit report?



Tatua Center- the Credit Information Sharing alternative dispute resolution center at tatua@tatuacenter.co.ke



Credit Information Sharing Association of Kenya (CIS KENYA)

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