

CREDIT HISTORY AND SCORING INFORMATION

The essence of the credit history

A credit history is a set of information about the financial obligations of an individual or legal entity, which shows the history of the latter's financial obligations and/or their fulfillment.

The credit history includes data for 5 years prior to the time of the request, and it is formed from the information on:

- the funds received by a person, including the number of financings and their amount, type, timing, nominal interest rate applied by the lender for each financing;
- the collateral that secures financing;
- the commitment to the honorable repayment of loans (for example, whether interest and loan value were paid on time or not);
- guarantees provided to others, their number and amount, the type of loan secured by each guarantee, terms and information about collateral;
- the presence of overdue days/amounts of the loan and guarantees, as well as fines and penalties imposed for them.

The credit history does not contain any personal data.

The sources of credit history are ACRA member organizations (banks, credit organizations, insurance companies, organizations that carry out transactions with deferred payments, as well as government agencies that provide information about individuals to the credit bureau from publicly available databases in accordance with the procedure established by the Government of the Republic of Armenia).

A positive credit history can be formed by paying off loans without delay, with their intended use. A Negative credit history formed over the years may be the reason for the refusal to provide financing.

The essence of credit scoring

A credit score is a numerical assessment of creditworthiness based on the study of a client's credit history, which shows how conscientious the client is as a borrower. If the client has never had a loan, the latter also cannot have a credit score.

Steps to improve your credit history

To improve the credit history, firstly eliminate the main causes that worsen it should be eliminated, in particular, it is necessary to repay existing overdue obligations at the earliest opportunity, as well as:

- to ease the credit burden by partially or fully repaying existing loans;
- make payments according to a set schedule, eliminating delays and demonstrating punctual behavior;
- reduce the issued guarantees by decreasing their number, amount, and, if available, ensuring full repayment of overdue obligations in this part;
- avoid guarantees for unreliable people;
- avoid frequent applications for new loans.

The impact of a credit request on a credit score

Based on the consent given by the client, requests regarding the credit history are made to ACRA Credit Reporting (hereinafter referred to as the Credit Bureau). Depending on which service the customer has applied for, the type of credit request may affect the credit score in the following manner:

Purpose of the credit request		Influence on the scoring assessment
The borrower	New credit request	reduces with a high probability
	Monitoring of the current credit	does not affect
The guarantor	Providing a guarantee	reduces with a high probability
	Monitoring of the current credit	does not affect
Affiliated person		does not affect

Actions to change an incorrect or incomplete credit history

If the customer's credit history contains incorrect or incomplete data, then for clarification and correction, the latter can inform the Credit Bureau or the lender from whom the loan was received, regarding which the credit history contains incorrect or incomplete information.

Notification to the Credit Bureau can be made by submitting a corresponding written application or online from the personal account "My ACRA".

Details are available at :

