



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿಸಲಾಗಿದೆ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act 1951

KSFC/HO/HOD{T&MIS}/31/2023-24

8th December 2023.

INTER OFFICE NOTE

Sub: Acceptance of CIBIL Score reg.

Hitherto, only the transunion score was considered while sanctioning the loans. However, the latest CIBIL Report makes a mention about the personal score in case of individuals. A clarification is being sought by several Branch Managers whether to accept lower CIBIL personal scores or not. The matter was also been deliberated in the Loan Sanction Committee meeting held on 29-Nov-2023. At present, the guideline available in accepting CIBIL Score is as enumerated below. As per the Lending Policy para 7.3 at page No.18, the benchmark for CIBIL Transunion Score is revised from 750 to 650. Further, it is mentioned that CIBIL Transunion Score below 650 shall be accepted with specific approval from the concerned General Managers and financing proposals from new customers where the CIBIL Transunion Score is less than 600 should not be accepted. Continuing further, it is mentioned that in case of partnership firm /company, if any of the partners / directors score is less than 600, such proposals may be sent for acceptance to the respective General Managers based on merits.

Further, at para No.6 at page 42 of Lending Policy, it is mentioned that if any overdues / default is reflected in the CIBIL report, then the delinquency of the account will have to be clarified and necessary NOC / Account Closure Letter shall be obtained to consider under par CIBIL Score. The cases sanctioned by EC shall continue to be decided upon by the Executive Committee.

As per the information available on website, the difference between CIBIL Transunion Score and Personal Score is that the CIBIL Transunion Score is based exclusively on borrowing behavior of all loans whether they are secured or unsecured, whereas the personal score is based exclusively on borrowing history of unsecured loans.

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Taking cognizance of the above information and the guidelines mentioned in the lending policy, the following Procedure is put in place to decide upon the acceptance of CIBIL Scores.

1. The benchmark for acceptance of CIBIL Transunion Score shall continue to be as given at para no 7.3, page no 18 of prevailing lending policy.
2. In case of overdues /default reflected in the CIBIL report, then the procedures mentioned at para no 6, page 42 of the existing lending policy shall be followed.
3. In case of accepting proposal with low personal score which is based on borrowing history of unsecured loans, such proposals shall be sent to the respective General Managers for their approval based on Merits and collecting No Due Certificate / Account Closure Letter.
4. In addition to the above, in case of partnership firms and companies seeking loans, the commercial CIBIL score of the partnership firm / company should be invariably collected and analysed.

The above Procedure shall be followed meticulously without any deviation while accepting CIBIL Score. Further, the details of CIBIL score should be mentioned in the sanction memorandum/PCC note/note sheet without fail.

The above shall be brought to the notice of all the concerned.



MANAGING DIRECTOR

To:

All the BMs/AGMs/DGMs of Branch Offices
All the AGMs of Audit Cells
All the Department Heads in HO
EA to MD, Library
General Managers