



COOPERATIVE FINANCE CLUSTER CONGRESS

17-18 April 2015
Tagaytay City

Topic IV: Credit Information Systems Act

reactor

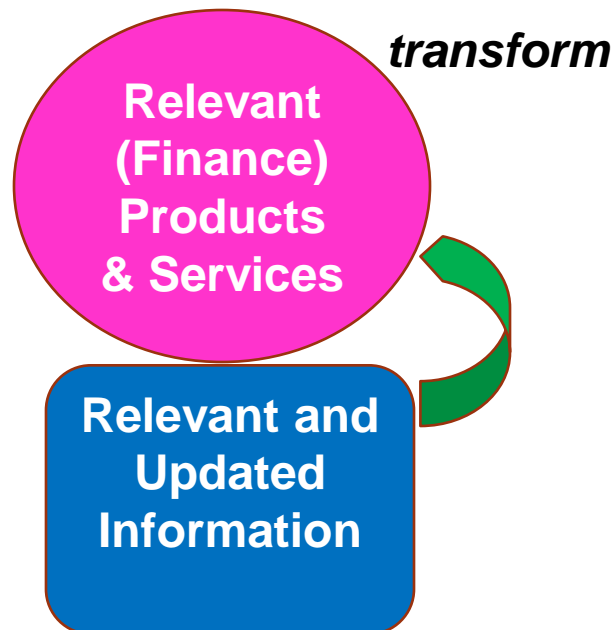
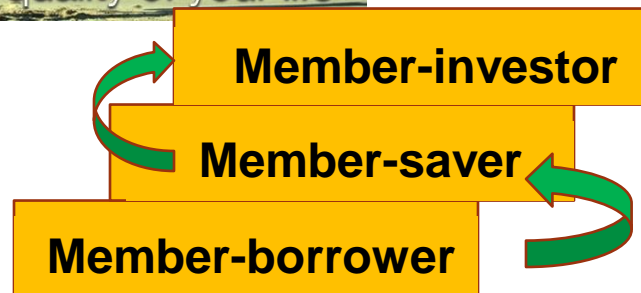
Philippine Cooperative Central Fund Federation



Co-op purpose



It needs to respond and address the increasing demand of its members in a fast and efficient manner especially when it comes to loan availment



Reality check:

Co-ops experience several **operational pain points** from a loan approval and **credit information standpoint**

Absence of a quick check on credit applicant profile (family background, credit loan history on past loans)



Lack of visibility on credit behavior, loans exposure, thereby resulting to a poor loan portfolio



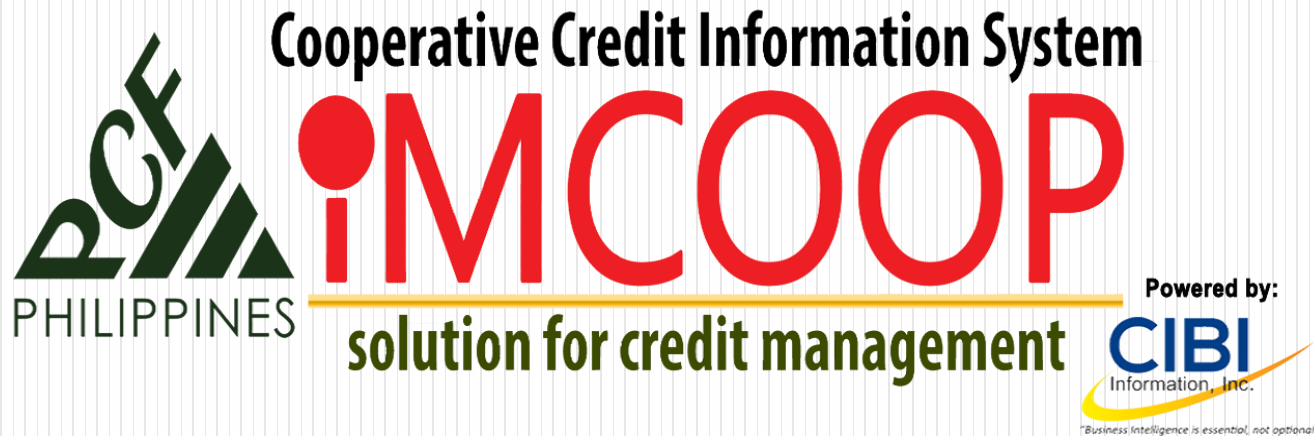
Absence of a risk based standard credit rating – can be good/low risk with one but poor/high risk with others



| |
|---------------------------|
| EXCELLENT CREDIT: 750+ |
| GOOD CREDIT: 650 - 750 |
| FAIR CREDIT: 600 - 650 |
| BAD CREDIT: 600 AND LOWER |

- Among many credit management tools, co-ops articulated the NEED to share and ACCESS credit information among themselves (common membership)
- Prepare cooperatives for compliance with RA9510

PCF response



- **Information sharing by, between, among coops primarily to improve coop operations in the aspect of credit management and business analytics**
- **A 'sanitizer' for CISA reports**

...a brief history

- August 2009: Financial Service Cooperative (FSC) cluster discussions on cooperative “credit bureau” project; developed minimum KYC data for project
 - FSC members: PCF, PFCCO NCRL, MSCB, FPSDC, MASS-SPECC, NORLU, NATCCO, BANGKOOOP. PFTEC
- September 2009 – March 2010: proposals for coop credit information data system
- July 2010: FSC agreed to “put on hold” development of coop credit information system in deference with RA9510 implementation
- 2012: PCF decided on **IMCOOP** program development with inputs from 13 pilot primary cooperatives of various types and sizes and capacities

iMCOOP program development



- establish coop credit data management practices
- clarification/discussions on data integrity, consumer protection, data accessing protocols
- sectoral portfolio reports for benchmarking and product development



- Technical expertise in data system management
 - System integrity
- Over 30 years experience in credit data bureau services



- capacitating primary cooperatives in data management and credit information utilization in business decisions

iMCOOP Implementation viz CISA

- PCF GA resolution for all members to enroll in the program
- 40 PCF member-coops are actively contributing data, translating to thousands of credit data
- iMCOOP data-contributing coops are actively accessing data, enhancing credit appraisal processes
- Several cooperatives are concerned with generating required data (quantity, quality) which are not available in their current data systems
 - PCF, with partner CIBI, assisted in systems/process to generate required data
- More cooperatives raised questions on CDA's directives to compliance with CISA

Call to ACTION

- CDA circular on CISA compliance
- Collaboration of CDA and CIC in information dissemination on CISA objectives, focus on value of data utilization rather than “fear of the law”, ie, penalties, criminal liability
- Support for smaller finance coops in capacitating processes to generate data and submission
- For primary financial cooperatives to take responsibility in generating required data, ensuring quality data submission