Credit history report: Here's what RBI's directive means for you

The RBI has directed all credit information companies to provide one free full credit report, including score every year beginning January 1, 2017 to individuals whose credit history is available with them.

By: FE Bureau | New Delhi | Updated: September 5, 2016 7:10 AM report, including score every year beginning January 1, 2017 to individuals whose credit history is available with them.

Find out what the central bank's directive means to you:

Every customer of a credit institution will be provided one base-level consumer Credit Information Report (CIR), free of cost, every year by each credit information company.

The report must include details that figure in the full credit report that is accessed by the credit institutions while considering the request for fresh credit facilities.

Borrowers can rectify any error in their credit history.

The report must show the latest position of the credit institution's exposure to the individual, as per records available with the credit information company.

The credit information companies will notify on their website the procedure for accessing the free full credit report.

The report will be in an electronic format.

In India, there are four credit information companies — Credit Information Bureau (India), Equifax Credit Information Services, Experian Credit Information Company of India, and High Mark Credit Information Services.

The credit report plays an important role in the loan application process. The higher the score, better the chances of the loan being approved.

Your credit score is based on your creditworthiness. For instance, the CIBIL score can range from 300 to 900 with 300 being the bottom and 900 the best score.

In order to get a higher score one must pay EMIs on time, pay credit card bills on time, avoid over-leveraging, maintaining strong financial records and not have too many unsecured personal loans.