

# Convergence Romania Financial Sector Modernization

Special Projects Initiative Public-Private Steering Committee



## SPI Project on the Expansion of the Credit Bureau Services

### Project Objective

A recommendation to the banking industry in support of a Protocol for positive information sharing.

### Project Management Team

**Project Owner (PO):** Steven Cornelis van Gornigen, President, Raiffeisen Bank

**Project Manager (PM):** Jianu Lazar, Director, Raiffeisen Bank

**Deputy Project Manager (DPM):** Serban Epure, General Manager, Credit Bureau

## Minutes

### Sixth Meeting

*December 14 2006 – SPI Office*

#### **Attendees:**

PO – Steven van Groningen

PM – Jianu Lazar

DPM – Serban Epure

PWG members:

Lucia Stefan

Daniela Barbu

Ana Costea

*SPI Secretariat:* Ramona Bratu and Oana Nedelescu

## Agenda

1. Presentation of actions undertaken with various stakeholders;
2. Discussion on the SPI Committee Actionable Document;
3. Next Steps;

## **1. Presentation of actions undertaken with various stakeholders**

PM made a presentation of the actions undertaken so far with the main stakeholders: positive information banks, negative information banks, NASPDP, NBR, credit bureaus.

## **2. Discussion on the SPI Committee Actionable Document**

The PWG approved the SPI Committee Actionable Document with the following comments:

### ***Recommendations for NBR***

A possible alternative envisaged could be the relaxation of the NBR regulations on limiting the lending to households for the banks that report and use positive information. Namely, the central bank could allow the positive information banks to have higher debt-service to monthly income ceilings (currently a debt-service ratio of 40 percent of the net monthly income of the borrower is applied by all banks).

Such an approach would be consistent with the more prudent risk management of the positive information banks, which feel at disadvantage compared to negative only information banks when applying the relevant NBR norms. While the negative information only banks rely exclusively on the bona fide declarations of customers on the overall debt to banks, the positive information banks have an additional instrument of checking the borrowers' declarations which can potentially decrease their business.

### ***Implementation phase***

The project working group underlined the importance of remaining involved in the implementation actions pertaining to the SPI Project on the Expansion of Positive Information Sharing, following the endorsement and the guidance received from the SPI Committee. The following further steps may require the participation of the project working group in order to ensure continuity and consistency with the actions undertaken so far under the project:

- i) awareness raising regarding the benefits of positive information, including advocacy with negative information banks;
- ii) participation in the proposed working group that will support the NASPDP in drafting the final decision pertaining to information sharing through credit bureaus;
- iii) support NBR, as requested, in the process of drafting relevant regulations;
- iv) feedback provided to credit bureaus for further improving the Phase II technical platform and the value-added services.

### ***Credit bureau section***

The document could recommend the strengthening of the relationship between Biroul de Credit and NBR through the signing of a cooperation agreement.

## **3. Next steps**

- PWG considers that the lobby with negative banks should continue.
- Likewise, the initiative of setting up the public-private working group should be further pursued. Mr. Epure will follow up with Mr. Ghetea on this issue.
- The telecom issue is one of the main objectives of the work with NASPDP.
- Also, it would be very important to have an NBR representative to participate in the follow up actions of the project and this could be requested at the SPI Committee.
- Biroul de Credit should also continue its efforts to improve the technical platform for Phase II