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## **METHODOLOGICAL PRINCIPLES OF FORMING THE CREDIT BUREAUS AS THE BASIS OF RELIABLE CREDITING**

In the absence in Ukraine today a system of accumulation, storage and disclosure of credit history, the growth of credit services inevitably leads to the accumulation of bad debt that requires credit institutions create reserves for granted loans and adversely affect the cost of loans. Those are dishonest borrowers that are calculated by conscientious payers. The history of the credit bureaus as some specialized companies dates back to 1841, when Lewis Teppen silk merchant from New York created the “Mercantile Agency” – the agency for the collection and analysis of information on the creditworthiness of businesses that turn to them in loans form.

One of the defining characteristics and features of the credit bureaus are the principles of formation and access to information, on which credit history is formed. These principles include voluntary formation of appropriate credit history, constitutional rights and freedoms of credit histories. Voluntary formation of credit history is realized through the provision of credit history subject written consent to the transfer of data on a credit transaction to the credit bureau history. Also credit bureau must find a reasonable balance between completeness, comprehensiveness, objectivity, reliability and adequacy of information volume of incoming information streams goals. Disclosure of confidential and only with the consent of the subject of credit history is an unconditional principle of credit

bureaus. Information relating to the organization of the lender that provided the loan, as disclosed with the consent of the lender that provides information on preventing the spread of successful operations unprofitable or lender to other creditors. For the purpose of effective operation of credit bureaus in the market it is needed to ensure their full independence.

To encourage and create conditions for businesses and individuals to shape their credit history, which will significantly expand lending to the economy as a whole and, above all, will give impetus to the development of consumer, mortgage and small business lending, should help improve transparency. Working credit bureaus aimed at creation of a competitive market environment in which conscientious borrowers have advantages over unfair.

Continuing the process of creating credit bureaus in different countries confirms the interest of businesses to reduce risks, expansion of credit and facilitating access to credit. Therefore, the activation of the credit bureau in Ukraine, increasing the data base and the quality of the information provided is a strategic component of effective development of the domestic financial market. Creating a reliable system for identifying business and financial reputation of private borrowers and companies is one of the fundamental conditions for further development of markets for loans and investments.