

# CRC Bulletin



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**NAIC, Banks to settle on N200bn agric loan:** The Nigerian Agricultural Insurance Corporation (NAIC) has confirmed that it has finally settled the dispute on their failure to remit insurance premium for the N200 billion Commercial Agricultural Credit Scheme (CACS) loans released since 2009 by the Central Bank of Nigeria (CBN). A two-man delegation meeting with the Bankers' Committee and the management of NAIC confirmed the readiness to broker a more flexible deal. A statement released by the Head of Corporate Affairs of NAIC confirmed the settlement and further cooperation with the Bankers' committee.

**Credit to Private sector drops to N15.131tn in January:**

Data compiled from the Central Bank of Nigeria showed a decline in the flow of credit from the commercial banks to the private sector in January which stood at N15.131tn. The amount is compared to that of December 2012 which stood at N15.285tn. Analyst argued that the fall in credit to private sector and the 9% inflation rate might heighten the agitation for a reduction in the benchmark interest rate and a downward adjustment in the cash reserve requirement. According to analyst at Renaissance Capital, January's sharp slowdown in credit growth implied a downside risk to the 16-17% credit growth projection for 2013. However, they also pointed out that if the loan growth increases up to 15 to 20% in 2013, better growth would emerge.

**Analysts urge CBN to control Foreign Investment inflow:**

According to financial analysts, measures should be put in place to ensure that foreign investments in Nigeria are channelled more into real sectors of the economy. The analysts expressed concerns over the huge composition of short term funds into the country emphasizing the exits of portfolio investors would hurt the economy. They observed the increase of 63.18% of the total capital inflows were channelled into portfolio investment, while 22.24% were channelled into direct investment in real economy. They emphasised that the implication of this may cause foreign investors to sell off or repatriate funds should in case the economy witnesses instability.

## Things to do Before Applying for a Personal Loan

Thinking of getting a personal loan for debt consolidation, repairs around the home, or perhaps pay for an unexpected expense? Credit.com emphasizes a list of things to be done before applying for a personal loan. An essential step is getting your credit report from a Credit Bureau. For example CRC Credit Bureau offers customers a Self Enquiry report in order to assess submissions made by lending institutions with regards to your credit history.

There are a couple of reasons why it's so important to check your credit report before applying for a personal loan:

- **You won't waste time or further hurt your credit.** There is no point in applying for loans for which you don't qualify. If you do, you'll not only get frustrated but you'll also create unnecessary inquiries into your credit reports, which can drop your credit scores.
- **You'll be better prepared to avoid personal loan scams.** If your credit scores are very low, then you're a prime target for companies that promise loans to people with bad credit, but instead rip them off. We've heard from consumers who have lost hundreds, even thousands, of dollars to advance fee loan scam artists. You don't want to be one of them. If you know going into the process that your credit scores are low, then you should be extra careful to check out any companies that offer you a loan.

It helps to look out for what makes up your credit score and to better understand the areas that make it either strong or weak. CRC Self Enquiry report, for example, assigns importance to the following:

- Payment History
- Debt Usage
- Credit Age
- Inquiries

If the above areas are weak, then you may want to figure out what you can do to make them strong. However, if mistakes are discovered using the weakness, disputing those mistakes may help. Your credit reports can change as soon as those mistakes are corrected. When the error has been corrected, your personal loan application may be secured. When shopping for a personal loan, it may help to learn any information regards the kind of credit scores the lender requires.