SACRRA | CREDIT & RISK REPORTING ASSOCIATION

Reporting of Credit Information in terms of Regulation 19 (13)

June 2017

An overview of the requirements to comply with Guidelines published by the NCR prescribing the manner and form in which consumer credit information must be submitted to approved credit bureaus

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Introduction

Regulation 19 (13)

"A credit provider must submit credit information to the credit bureaus in the manner and form prescribed by the National Credit Regulator through conditions of registration and any guidelines that may be issued by the National Credit Regulator (NCR) from time to time"

Regulation 19 (13) was included with amendments to the National Credit Act, published in March 2015. This meant that all credit providers, needed to report their consumer credit information in a **manner and form** in which the NCR would prescribe in a future guideline.

The Guidelines to the Regulations have now been published and require all credit providers including non-registered providers to submit information to approved credit bureaus.

To assist with the implementation of the regulations the NCR has entered into a Memorandum of Agreement (MOA) with the South African Credit & Risk Reporting Association (SACRRA) and the Credit Bureau Association (CBA), as co-owner of the Data Transmission Hub (DTH), to adopt and prescribe the current SACRRA data sharing environment as the industry standard, see diagram 1 on the next page.

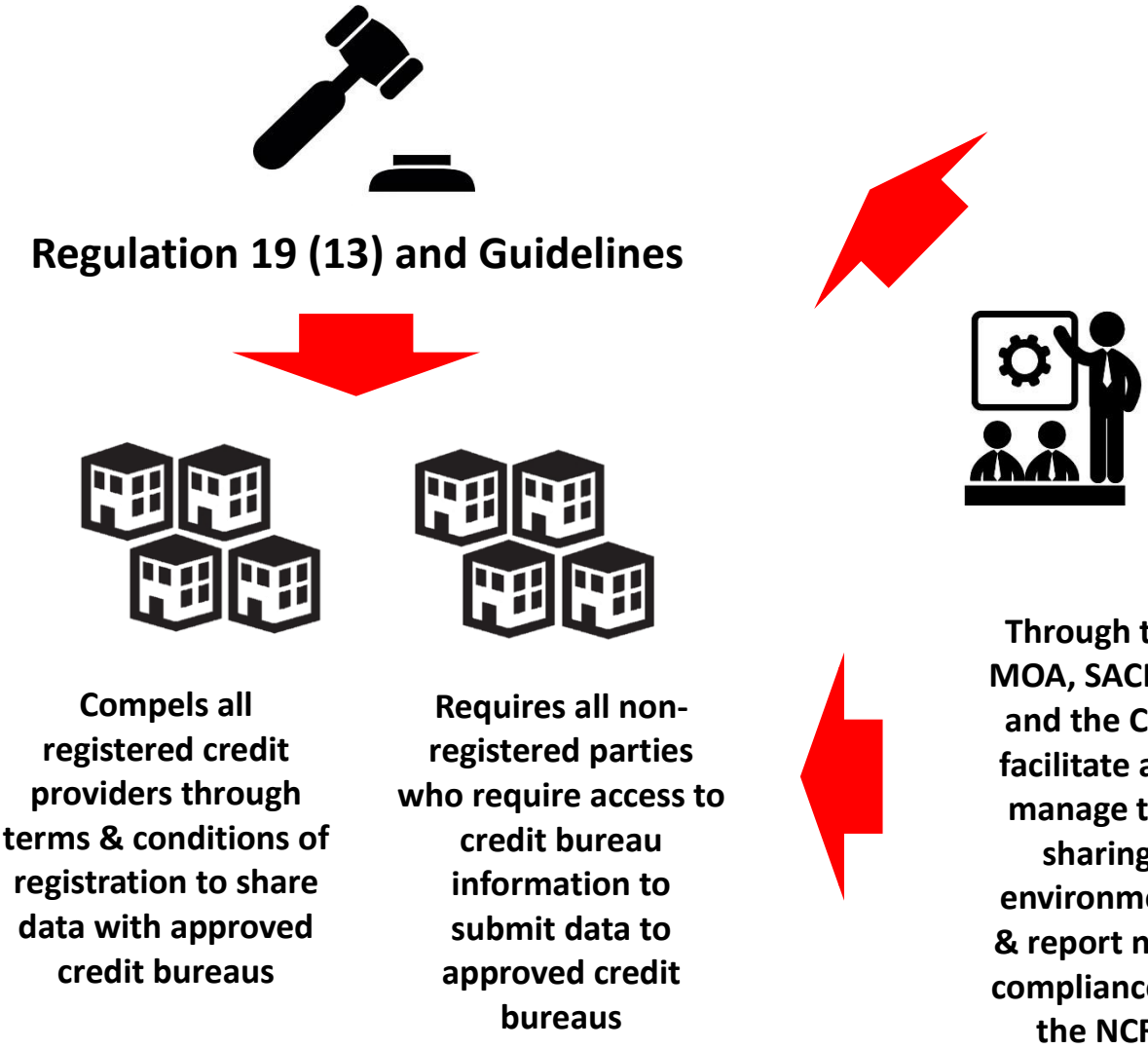
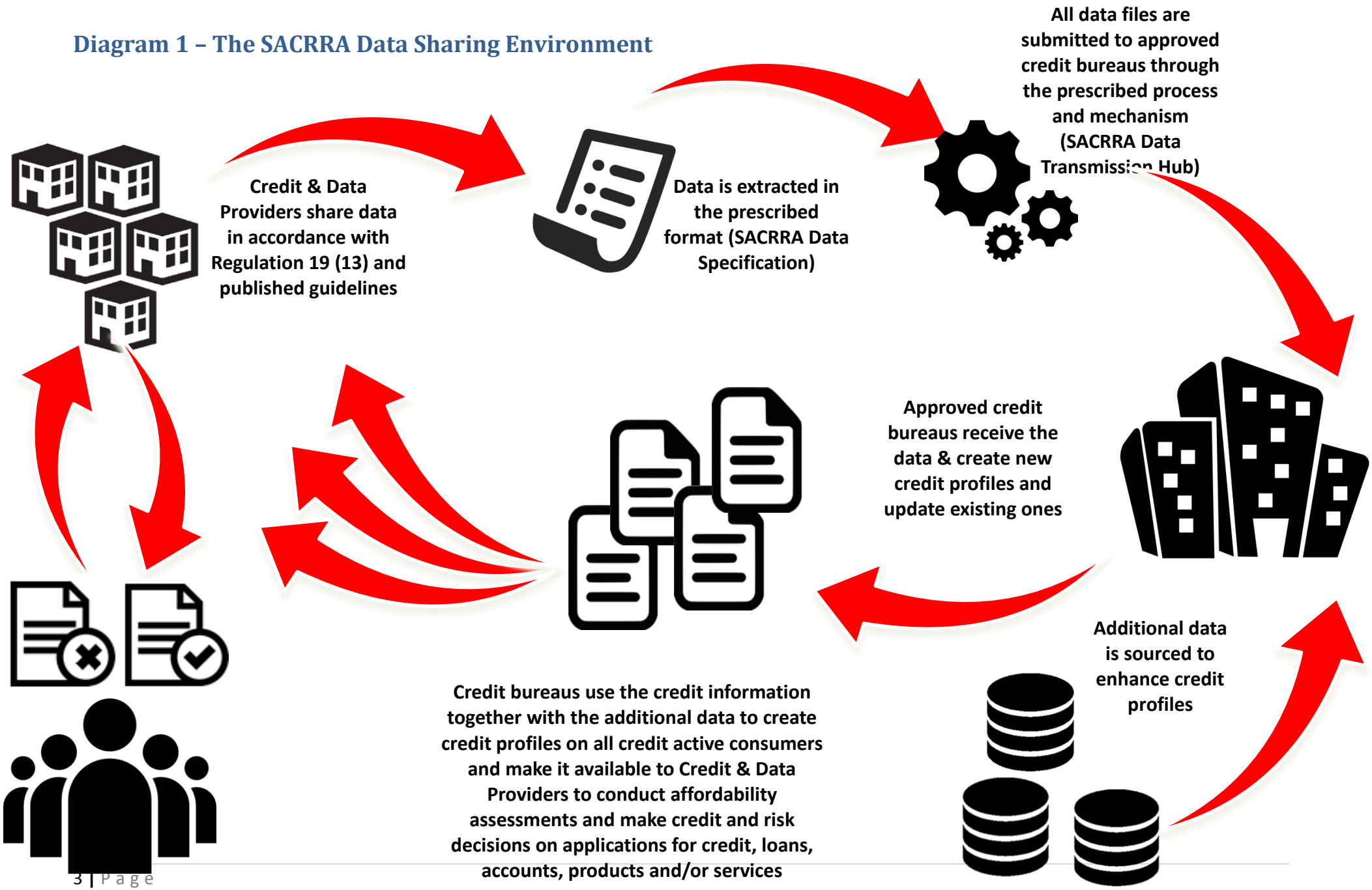


Diagram 1 – The SACRRA Data Sharing Environment

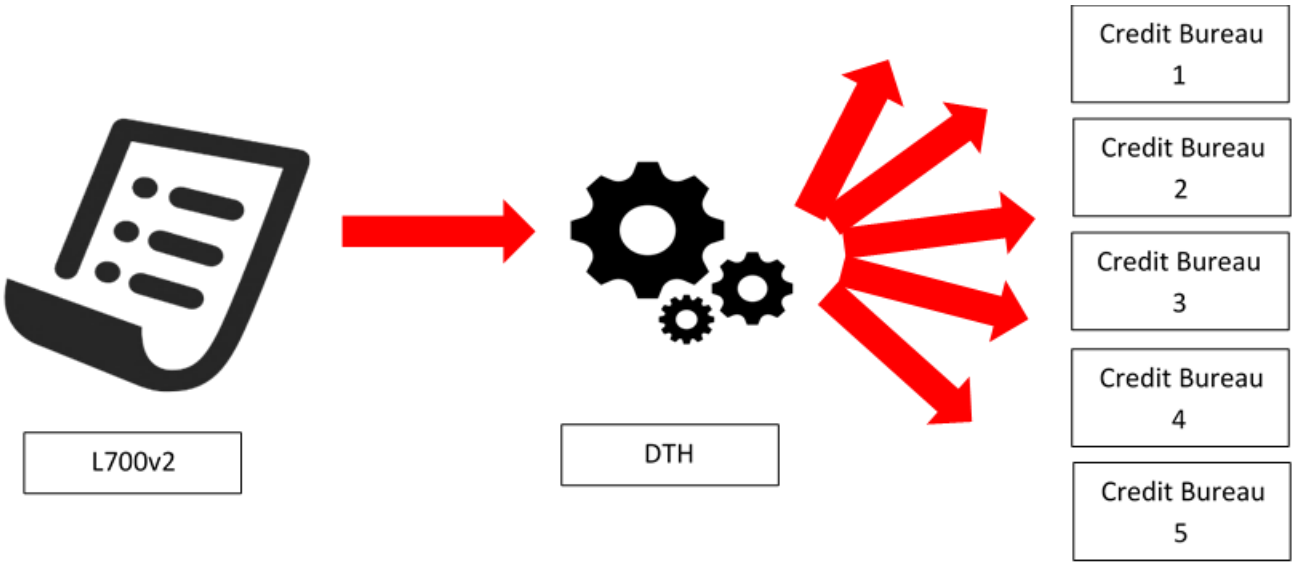


What does this mean?

It means that all credit providers need to extract their debtors or payment information into the existing SACRRA format and submit these files, in accordance with timeframes prescribed to all credit bureaus approved by the NCR, through SACRRA's data transmission mechanism co-owned by the CBA, known as the Data Transmission Hub or DTH.

The SACRRA data specification and format (known as the L700v2) allows for the extraction of data on all product types and incorporates validation routines that ensure accurate data is loaded to the credit bureaus.

The DTH is a convenient and secure means to submit data to all approved credit bureaus through a single process.



SACRRA facilitates and manages the data sharing environment and monitors that all submissions are made within agreed time lines and that the quality of data submitted is acceptable.

The MOA now further requires the reporting of non-submission and poor quality.

Approved credit bureaus will furthermore only release credit profiles to non-registered providers if data has been submitted.

Compliance with the Guidelines

Compliance is not immediate. All credit and data providers that are not currently submitting their credit information through the SACRRA environment must first undergo an assessment to determine a category in which they will be allocated for the purposes of development, testing and implementation.

This assessment will be undertaken by SACRRA from 1 July until 31 October 2017 and will attract a once-off NCR prescribed fee of R500 (excluding VAT) that will be invoiced and payable to SACRRA.

Once the assessments have been completed, an on-boarding roll-out schedule will be published indicating timelines and deadlines for the completion of any development and testing for the submission of their data extracts as directed by the guidelines.

The Annual fees payable to cover the costs of using the SACRRA format, the DTH, data quality assessments and reporting requirements will be prescribed and published by the NCR at certain intervals.

Registered credit providers who fall within categories 1-5 of the NCR fee bands, are expected to be on-boarded in 2018 and will be required to pay the prescribed fees accordingly.

NCR categories 6-9 will only be onboarded from 2019.

Should any credit provider in NCR category 6-9 however wish to expedite their on-boarding through the services a Secondary Service Provider (SSP) or Loan Management System Vendor (LMSV) they are certainly welcome to. A list of SSP and LMSV companies that are affiliated to SACRRA is provided below.

SACRRA Data Specification L700v2

Layout 700 version 2 or the "L700v2" and is a data layout of several fields that contain both demographic and financial information.

The demographic fields include:	**The financial fields include:**
SA ID Number	Branch code
Non-SA ID Number / Passport	Account number
Gender	Sub account number
Date of Birth	Payment type
Surname	Type of account
Title	Date account opened
Forenames or initials	Date of last payment
Residential address	Opening balance / credit limit
Postal address	Current balance
Ownership type (residence)	Instalment amount
Home phone number	Terms
Cell phone number	Amount overdue
Work phone number	Months in arrears
Employer details	

Fields are either **mandatory** (you must provide the information) e.g. surname, some are **optional** (if you have the information you may provide it, if you do not have it, you do not need to provide it) e.g. employer details and some **conditional** (if you provide a particular field you will need to provide an additional field of information) e.g. if you have a passport number you must also provide a date of birth. Each field is either specified as "Alpha" or "numeric". Alpha means only alphabetical characters and special characters can be populated in these fields e.g. a surname cannot be Smi5th in must be Smith. Numeric means that the field may only contain numeric values e.g. a SA ID must be 680530 5434 082 and not 68MM30 5434 082.

Each field needs to be populated in accordance with the L700v2 Data Specification and rules attached to each field. Where these are extracted incorrectly or not populated in accordance with the Data Specification these records will be rejected and not loaded to the credit bureau.

All balances, financials and mandatory details supplied must be up to date and accurate at the time of the extract, in accordance with the requirement of the National Credit Act and in line with the obligations set out for Credit providers and for Data Sources within SACRRA's Constitution and Standard Operating Procedures.

Both monthly and daily files will need to be submitted to the credit bureaus.

Example of the Monthly Data Specification (see the L700v2 Data Specification for full specification and rules which will also require a header and footer):

Field Number in Monthly	Field Description	Position in Monthly	Format A= Alpha N - Numeric
1	DATA	1 -1	A 1
2	SA ID NUMBER	2 - 14	N 13
3	NON-SA ID NUMBER	15 - 30	A 16
4	GENDER	31 - 31	A 1
5	DATE OF BIRTH	32 - 39	N 8
6	BRANCH CODE	40 - 47	A 8
7	ACCOUNT NO.	48 - 72	A 25
8	SUB-ACCOUNT NO.	73 - 76	A 4
9	SURNAME	77 - 101	A 25
10	TITLE	102 - 106	A 5
11	FORENAME OR INITIAL 1	107 -120	A 14
12	FORENAME OR INITIAL 2	121 - 134	A 14
13	FORENAME OR INITITAL 3	135 - 148	A 14
14	RESIDENTIAL ADDRESS LINE 1	149 - 173	A 25
15	RESIDENTIAL ADDRESS LINE 2	174 - 198	A 25
16	RESIDENTIAL ADDRESS LINE 3	199 - 223	A 25
17	RESIDENTAIL ADDRESS LINE 4	224 - 248	A 25
18	POSTAL CODE OF RESIDENTIAL ADDRESS	249 - 254	A 6
19	OWNER / TENANT	255 - 255	A 1
20	POSTAL ADDRESS LINE 1	256 - 280	A 25
21	POSTAL ADDRESS LINE 2	281 - 305	A 25
22	POSTAL ADDRESS LINE 3	306 - 330	A 25
23	POSTAL ADDRESS LINE 4	331 - 355	A 25
24	POSTAL CODE OF POSTAL ADDRESS	356 - 361	A 6
25	OWNERSHIP TYPE	362 - 363	A 2
26	LOAN REASON CODE (FORMER END USE CODE NLR ACCOUNTS)	364 – 365	A 2
27	PAYMENT TYPE	366 – 367	A 2
28	TYPE OF ACCOUNT	368 – 369	A 2
29	DATE ACCOUNT OPENED	370 – 377	N 8
30	DEFERRED PAYMENT DATE	378 – 385	N 8
31	DATE OF LAST PAYMENT	386 – 393	N 8
32	OPENING BALANCE / CREDIT LIMIT	394 – 402	N 9
33	CURRENT BALANCE	403 - 411	N 9
34	CURRENT BALANCE INDICATOR	412 – 412	A 1
35	AMOUNT OVERDUE	413 – 421	N 9
36	INSTALMENT AMOUNT	422 – 430	N 9
37	MONTHS IN ARREARS	431 – 432	N 2
38	STATUS CODE	433 – 434	A 2
39	REPAYMENT FREQUENCY	435 -436	N 2
40	TERMS	437 - 440	N 4
41	STATUS DATE	441 - 448	N 8
42	OLD SUPPLIER BRANCH CODE	449 - 456	A 8
43	OLD ACCOUNT NUMBER	457 - 481	A 25

Field Number in Monthly	Field Description	Position in Monthly	Format A= Alpha N - Numeric
44	OLD SUB-ACCOUNT NUMBER	482 -485	A 4
45	OLD SUPPLIER REFERENCE NUMBER	486 - 495	A 10
46	HOME TELEPHONE	496 - 511	A 16
47	CELLULAR TELEPHONE	512 - 527	A 16
48	WORK TELEPHONE	528 -543	A 16
49	EMPLOYER DETAIL	544 -603	A 60
50	INCOME	604 -612	N 9
51	INCOME FREQUENCY	613 - 613	A 1
52	OCCUPATION	614 - 633	A 20
53	THIRD PARTY NAME	634 -693	A 60
54	ACCOUNT SOLD TO THIRD PARTY	694 -695	N 2
55	NO OF PARTICIPANTS IN JOINT LOAN	696 -698	N 3
56	FILLER	699 - 700	A 2

The SACRRA data transmission mechanism

The SACRRA data transmission mechanism is called the Data Transmission Hub or DTH.

The DTH is a data transmission portal that is hosted by a software service provider, BCX, in a secured environment that allows for the data files to be submitted to all the approved credit bureaus in a simple once-off and convenient process. All files received through the DTH are encrypted in the process to minimise the risk of data being intercepted (any other data transmission mechanism would require prior encryption). These files are then pushed from the DTH to the credit bureaus who will then decrypt the data and load it on their systems.

The DTH is the only mechanism prescribed to submit credit information to the credit bureaus. All credit and data providers will thus, as part of the on-boarding process, need to link to the DTH for their data submissions. No data or files will be accepted by the credit bureaus through any other medium or mechanism e.g. CD, DVD, email, SFTP, website portal etc.

Why prescribe the L700v2 Data Specification and DTH?

The **L700v2** is a standard format that data is extracted into in accordance with a specification for each field based on the type of account. This ensures that all data fields are extracted and interpreted in the same manner and that accurate and quality data is submitted to the credit bureaus for them to create, match, load or update consumer credit profiles.

The Data Specification specifies the parameters as well as the validation and verification rules required for the development of daily and monthly extracts and the updating of information in the live environment. The rules are designed to ensure that logical, complete and up-to-date information is loaded and aged correctly on the credit bureaus. Mandatory and unique fields are a key requirement to enable the credit bureaus to accurately match and load and/or update data to consumer profiles.

As mentioned earlier, the **DTH** was developed as a secure and convenient method to submit data files to multiple credit bureaus. It thus ensures that all files are submitted to all registered consumer credit bureaus and there is no need to create separate files and submit each file four or five times. Should more credit bureaus be approved, this will automatically be done within the DTH.

How does the data flow and get updated and displayed?

Monthly and daily files are extracted and submitted to the bureaus in accordance with timelines and/or an event.

A monthly file is basically a “snap-shot” of a customer’s account or record as at the month-end or agreed billing date (the same information that would be on a statement for the account) and a daily file is submitted for accounts opened and closed daily.

The credit bureaus will receive the files through the DTH. Once received each individual field (both demographic and financial) is validated against the Data Specification rules. Once this routine is completed, a report is produced and submitted to the data contributor with statistics and details of records that have been validated and can be loaded, as well as details of the records that have failed the validation rules and have not been loaded.

On receipt of this report all records that have been rejected need to be corrected and fixed for the following month’s file. A file that has a very high rejection rate may result in the entire file being rejected and no records loaded, in these instances the entire file will need to be reproduced and resent to the credit bureaus.

Once the file has passed all the validation rules and the bureau is satisfied to load the data, it is matched to a consumer’s record and updated under the payment profile section. The data reflects the position of the account as at the current month, as well as an indication of how the account has been paid over the past 24 months, for example:

A record submitted in a monthly file will be diplayed a follows:

ABC Loans	
Date Account Opened	YYYY-MM-DD
Type of Account	Personal Loan
Account Number	12345678910
Open Balance / Credit limit	R 10 000
Current Balance	R 4 600
Instalment Amount	R 200
Arrears Amount	R 0
Status of the Account	Active
Date Last Payment	YYYY-MM-DD

The bureau keeps the history and displays how the account has been paid over the last 24 months as reflected below, where 0 = current, 1 = 1 month in arrears etc.:

0	0	0	0	0	1	2	3	4	3	2	1	0	0		0	0	0	0	0	0	0	0	0	0	0
Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct		Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	

NCR category 6-9 credit providers should consider an SSP

There are several companies called Secondary Service Providers or SSPs and Loan Management System Vendors or LMSVs that offer services to manage the development and submission of data in the L700v2 format, especially for smaller lenders. The SSPs and LMSVs affiliated to SACRRA by the Affiliate-Led Group Member category, are reflected below:

Affiliate-led Group	Contact number	E-mail address	Website
A4dable Support	(082) 833 2341	info@a4dable.co.za	www.a4dable.co.za
Acpas	(012) 665-0316	info@acpas.co.za	www.acpas.co.za
Delter IT	087 351 5171 / 012 348 4185 / 012 348 4190	info@delter.co.za	www.delter.co.za
Mycomax's MAXMONEY (Ms V van Heerden)	084 887 1895 / 012 110 4300	sales@maxmoney.co.za vanessavh@mycomax.com	www.mycomax.com
Compuloan/Proloan	0861 51 41 31	info@compuscan.co.za	www.compuscan.co.za

Please also see attached brochure on Affiliate-Led Group membership for more information.

What are the next steps?

- Approach a SSP or LMSV for assistance, or
- Undertake the "provider of credit information assessment" and await notification of the results of the assessment after which timelines and deadlines for implementation will be discussed.
- Begin development of the extract in accordance with the L700v2 specification.
- Undergo a Data Transmission Hub take-on.
- Begin submitting files for testing at the credit bureaus.
- Achieve sign-off within 3 iterations of testing.
- Start suppling data to the live environment.

What are the consequences of not complying?

The assessment is necessary to determine a category in which data contributors will be categorised into for the purposes of development, testing and a roll-out plan. Failure to pay the assessment fee will result in an incomplete assessment and the exclusion from the roll-out plan.

The NCR requires SACRRA to report on all parties that are in arrears with the prescribed fees and excluded from the roll-out plan, so that the necessary compliance processes adopted by the Regulator can take effect. SACRRA has also been mandated by the NCR to report on all future data submissions with specific focus on non-submissions, as well as poor quality or erroneous submissions made by credit providers.

This effectively means that credit providers will be reported on as non-compliant with the provisions of the Act and the terms and conditions of registration and thus run the risk of a non-compliance notice being issued or having their registration with the NCR being cancelled.

Data providers will simply be denied access to credit profiles in terms of the guidelines.