

Regarding need to exclude crop and education loans from the ambit of credit scores as a criteria to avail loans from Banks- laid

SUSHRI S. JOTHIMANI (KARUR): I wish to draw the attention of the Hon?ble Finance Minister to the rising anxiety caused by the credit scoring system dominated by private agencies like CIBIL, Equifax, Experian, and CRIF High Mark. Recently, a notification mandating CIBIL score checks for Kisan Credit Card (KCC) loans in Tamil Nadu?s cooperative societies triggered fear and protests among farmers, later requiring government clarification. This reflects a deeper systemic problem. Farmers who default due to natural calamities are often ineligible for future loans of any kind, undermining the purpose of government-sanctioned loan waivers. Equally unjust is the denial of education loans to deserving students based on their parents? low CIBIL scores ? penalizing them for factors beyond their control and reinforcing intergenerational inequality. These credit scores are generated by opaque private algorithms with no audit mechanism or flexibility to consider ground realities like informal incomes, caste/gender-based exclusion, or first-time borrowers. Public banks have little say and borrowers lack grievance redressal. I urge the Government to exclude crop and education loans from credit scores and establish a Public Credit Registry under direct regulatory supervision to ensure fairness, transparency, and inclusive financial access.