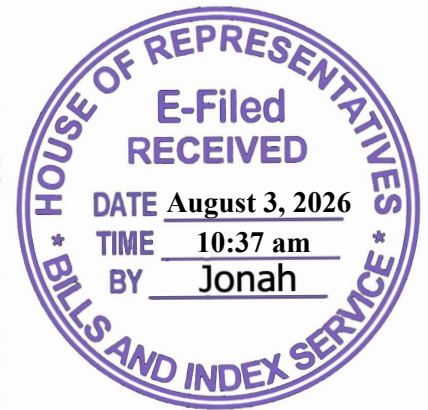


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila
TWENTIETH CONGRESS
Second Regular Session

House Bill No. 10475



INTRODUCED BY REP. PATRICK MICHAEL "PM" D. VARGAS

AN ACT
ESTABLISHING A NATIONAL CREDIT SCORE FRAMEWORK, AMENDING
FOR THE PURPOSE REPUBLIC ACT NO. 9510, OTHERWISE KNOWN AS
THE "CREDIT INFORMATION SYSTEM ACT", AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Republic Act No. 9510, otherwise known as the Credit Information System Act, established the country's centralized credit information system and created the Credit Information Corporation (CIC) as the repository of basic credit data. Under this framework, banks, financial institutions, and other credit providers are mandated to submit borrower information to the CIC, which in turn makes such data available to accredited credit bureaus for the generation of credit reports and proprietary credit scores.

While Republic Act No. 9510 laid the foundation for a more transparent and efficient credit environment, the current credit scoring landscape remains fragmented. Different credit bureaus employ varying methodologies, scoring ranges, and risk classifications, resulting in inconsistencies that are often difficult for consumers to understand and navigate. As a consequence, many Filipinos—particularly first-time borrowers, micro and small entrepreneurs, and individuals with limited or "thin" credit histories—face barriers in accessing and effectively utilizing formal credit. The lack of a standardized and easily interpretable credit score also diminishes the broader developmental impact of the country's credit information system.

This proposed measure seeks to address these gaps by strengthening and expanding the existing framework under Republic Act No. 9510 through the establishment of a National Credit Score (NCS) Framework. The measure introduces a standardized, government-recognized baseline credit score that shall be developed and administered by the Credit Information Corporation. The NCS is intended to harmonize the computation, interpretation, and use of credit scores across the financial system, while preserving the ability of accredited credit bureaus and financial institutions to develop and utilize their own proprietary scoring models consistent with national standards.

In line with international best practices, the proposed framework ensures that credit scoring remains transparent, consistent, and evidence-based, while being responsive to the Philippine context. It mandates the use of reliable and relevant data, including both traditional credit information and, where appropriate and with consent, alternative data sources such as utility payments and digital financial transactions, in order to broaden access to credit for underserved sectors.

The measure likewise strengthens consumer protection by guaranteeing key rights, including the right to access one's credit report and score free of charge at least once annually, the right to dispute and correct inaccurate information within a reasonable period, and the right to receive clear and understandable explanations of the factors affecting one's credit standing. It further provides safeguards to ensure fairness, prevent discriminatory outcomes, and uphold data privacy in accordance with the Data Privacy Act of 2012, subject to the oversight of the National Privacy Commission.

By standardizing credit scores while promoting transparency, accountability, and inclusion, this measure aims to improve access to affordable and appropriate credit, encourage responsible borrowing and lending practices, and enhance trust in the financial system. Ultimately, it seeks to contribute to a more inclusive financial ecosystem and support sustainable economic growth.

In view of the foregoing, the passage of this bill is earnestly sought.


REP. PATRICK MICHAEL "PM" D. VARGAS
Fifth District of Quezon City

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 10475

INTRODUCED BY REP. PATRICK MICHAEL "PM" D. VARGAS

AN ACT

**ESTABLISHING A NATIONAL CREDIT SCORE FRAMEWORK, AMENDING
FOR THE PURPOSE REPUBLIC ACT NO. 9510, OTHERWISE KNOWN AS
THE "CREDIT INFORMATION SYSTEM ACT", AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. Short Title. – This Act shall be known as the "*National Credit Score Act.*"

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to promote financial inclusion by ensuring that all Filipinos are afforded the opportunity to establish and maintain a verifiable financial identity, and to foster a fair, transparent, and efficient system for the evaluation of creditworthiness. Toward this end, the State shall strengthen and expand the existing credit information system under the Credit Information Corporation, ensure the standardization of credit assessment methodologies, and uphold the protection of personal data in accordance with the Data Privacy Act of 2012. The State likewise recognizes the importance of encouraging responsible borrowing and lending practices, reducing information asymmetry, and supporting inclusive economic growth.

SECTION 3. Definition of Terms. – For purpose of this Act:

- a. *National Credit Score (NCS)* – A standardized numerical representation of an individual's creditworthiness generated under a unified framework.

- b. *Alternative Data* – Non-traditional financial data including utility payments, digital wallet usage, remittances, and similar indicators.
- c. *Data Provider* – Any entity required to submit credit or financial data to the CIC.
- d. *Covered Individual* – Any natural person with a financial or economic transaction record in the Philippines.

SECTION 4. *Establishment of the National Credit Score.* – A National Credit Score (NCS) is hereby established as a standardized and government-recognized measure of the creditworthiness of individuals. The NCS shall be developed, maintained, and administered by the Credit Information Corporation, and shall be expressed in a uniform numerical range to be determined pursuant to implementing rules and regulations. The NCS shall serve as a baseline reference for credit evaluation by all covered financial institutions: Provided, That nothing herein shall be construed to prohibit banks, financial institutions, and accredited credit bureaus from adopting or maintaining their own proprietary credit scoring models, so long as such models are consistent with the minimum standards and guidelines prescribed under this Act.

SECTION 5. *Expansion of the Mandate of the Credit Information Corporation.* In addition to its existing powers and functions under Republic Act No. 9510, the Credit Information Corporation is hereby mandated to develop and implement a National Credit Score framework that ensures consistency, accuracy, and fairness in the determination of creditworthiness. For this purpose, the Corporation shall establish uniform methodologies, standards, and data governance protocols; integrate credit information from both traditional and alternative data sources; accredit, regulate, and supervise credit bureaus and other relevant entities; and promote interoperability across financial institutions and credit information systems. The Corporation shall likewise ensure that the National Credit Score remains adaptive to technological developments and responsive to the evolving needs of the financial system.

SECTION 6. *Data Sources and Integration.* The National Credit Score shall be derived from a comprehensive set of data inputs, including both traditional credit data and alternative data sources. Traditional credit data shall include, but shall not be limited to, records of loans, credit facilities, and other financial obligations obtained from banks, non-bank financial institutions, and microfinance entities. Alternative data sources may include information relating to utility payments, telecommunications services, digital financial transactions, remittances, and other relevant indicators of financial behavior, as may be determined by the Credit Information Corporation. The inclusion and integration of alternative data shall be implemented progressively and in a manner that ensures reliability, proportionality, and fairness in credit assessment.

SECTION 7. *Consent-Based Data Sharing.* The processing and inclusion of alternative data in the computation of the National Credit Score shall be subject to the prior, informed, and freely given consent of the data subject. Such consent shall be obtained in accordance with applicable laws and regulations, and shall clearly specify the purpose, scope, and duration of data usage. Data subjects shall retain the right to withdraw consent at any time, subject to reasonable limitations as may be necessary to preserve the integrity of the credit information system and as may be provided under implementing rules and regulations.

SECTION 8. *Consumer Rights and Protection.* All individuals covered under this Act shall have the right to access their credit report and National Credit Score at least once every year, free of charge, and to obtain additional copies subject to reasonable fees. They shall likewise have the right to dispute inaccurate, incomplete, or outdated information contained in their credit records, and to have such information corrected or updated within a reasonable period, which shall in no case exceed thirty (30) days from receipt of a valid dispute. Furthermore, individuals shall be entitled to receive a clear and understandable explanation of the key factors affecting their credit score, and to be protected against unfair, discriminatory, or arbitrary credit assessment practices.

SECTION 9. *Fairness and Inclusion Safeguards.* The Credit Information Corporation shall ensure that the methodologies and models used in the computation of the National Credit Score are regularly reviewed and audited to prevent bias, discrimination, and systemic exclusion. In furtherance of financial inclusion, the Corporation shall establish mechanisms for the assignment of a baseline or "starter" credit score for individuals with little or no credit history, and shall adopt measures to ensure that participation in the informal economy does not result in undue disadvantage. The use of alternative data shall be guided by the principle that such data should expand, rather than restrict, access to credit and financial services.

SECTION 10. *Data Privacy and Security.* All collection, processing, storage, and sharing of data under this Act shall be conducted in strict compliance with the Data Privacy Act of 2012 and other applicable laws, rules, and regulations. The Credit Information Corporation and all participating entities shall implement appropriate organizational, physical, and technical safeguards to ensure the confidentiality, integrity, and availability of personal data. Such safeguards shall include, but shall not be limited to, data minimization, purpose limitation, secure data transmission, and protection against unauthorized access, disclosure, or misuse. Compliance with these requirements shall be subject to the oversight of the National Privacy Commission.

SECTION 11. *Phased Implementation.* The implementation of the National Credit Score shall be carried out in a phased manner to ensure operational feasibility and institutional readiness. The initial phase shall focus on the standardization of credit scoring methodologies using existing data held by the Credit Information Corporation. Subsequent phases shall involve the gradual integration of alternative data sources and the expansion of system interoperability across financial institutions and relevant stakeholders. The final phase shall consist of the full nationwide adoption and operationalization of the National Credit Score framework.

SECTION 12. *Penalties.* Any person or entity that unlawfully accesses, uses, discloses, or misuses credit information, or that willfully fails to correct erroneous data within the prescribed period, or otherwise violates the provisions of this Act or its implementing rules and regulations, shall be subject to appropriate administrative, civil, and criminal penalties. Such penalties may include fines, suspension or revocation of accreditation, and imprisonment, as may be provided under existing laws and as may be further specified in the implementing rules and regulations.

SECTION 13. *Funding.* The initial funding shall be sourced from the existing appropriations of the CIC. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 14. *Implementing Rules and Regulations (IRR).* Within 180 days, the CIC, in coordination with Bangko Sentral ng Pilipinas (BSP), relevant government agencies, financial institutions, and private credit bureaus shall promulgate the IRR.

SECTION 15. *Separability Clause.* – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 16. *Repealing Clause.* All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,