

Credit Card Settlement - New Norms on Anvil by RBI

Posted Mar 15, 2010

<http://ezinearticles.com/?Credit-Card-Settlement---New-Norms-on-Anvil-by-RBI&id=3849109>
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There is finally a ray of hope for the countless and hapless credit card users who were so far being held to ransom by Credit card providing banks even on final settlement of dues by forwarding their names to Cibil, as still owing dues to the banks.

The Reserve Bank of India is very soon coming out with new guidelines which will disallow any bank to treat a customer as a defaulter if they have negotiated the amount payable against his account and paid the amount to the banks providing such credit cards. Currently even after the customer has paid the negotiated amount as offered by the bank, their names continue to be forwarded to Cibil-Credit Information Bureau Of India Limited, the central repository of all consumers credit history across all banks formed in Jan 2001.

As a result of being treated as a defaulter the customer is not able to avail of any loans like personal loan, business loan, loan against property or home loan from any banks as the credit rating maintained by Cibil takes a free-fall downward. Being cornered and without any hopes of acquiring such loans from any banks the customer had to settle any dues as claimed and raised by the banks being the balance amount of the earlier settled amount plus penalties and interest due till date.

At present whenever dues are settled with a bank the balance is usually treated as amount written off. In many cases banks raise bills for very small amount balance including annual fees after settlement which should not have been charged at all in the first place.

Though the RBI is taking a very serious note of the matter and will declare fresh guidelines to address the current ailment in due course countless affected customers await with bated breath of the succor to be provided by the Apex Bank of India.

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Apex Finance & Marketing was founded in April 2006 by Subhrajeet Talukdar and is the promoter of eazeeloans.com a loan advisory portal for Personal loans, home loans, business loans, loan against property, secured loans & unsecured loans.