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CREDIT TYPES AND BUILDING A GOOD CREDIT HISTORY

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ABSTRACT: It is known that when taking a loan from the bank, it is necessary to make monthly payments on it. Monthly payments on the loan can be made in two ways: making payments in the same amount every month or in divided amounts based on the amount. These are called annuity or differential payment methods. In this article, we will look at both payment methods and building a good credit history separately.

1) In the annuity method of loan repayment, it is necessary to transfer the same amount of money to the bank every month based on the loan payment schedule. When taking a long-term loan, interest payments make up most of the payments in the first months. The principal will gradually decrease.
Let's look at an example using the loan calculator:
Suppose a loan of 10,000,000 soums was taken for a period of 6 months based on 23% per annum.

Параметры кредита

Сумма кредита **10 000 000.00 сум**
Период кредитования **6 месяцев**
Процентная ставка **23% годовых**
Порядок погашения **аннуитетный**

Результаты расчета

Всего выплат **10 681 444.29 сум**
Переплата **681 444.29 сум**

На печать | Поделиться

№	Дата	Остаток кредита	Сумма погашения кредита	Сумма процентов по кредиту	Итого к погашению
1	11.04.2021	10 000 000.00	1 588 574.05	191 666.67	1 780 240.71
2	11.05.2021	8 411 425.95	1 619 021.72	161 219.00	1 780 240.71
3	11.06.2021	6 792 404.24	1 650 052.97	130 187.75	1 780 240.71
4	11.07.2021	5 142 351.27	1 681 678.98	98 561.73	1 780 240.71
5	11.08.2021	3 460 672.29	1 713 911.16	66 329.55	1 780 240.71
6	11.09.2021	1 746 761.13	1 746 761.13	33 479.59	1 780 240.71
			10 000 000.00	**681 444.29**	**10 681 444.29**

⚠ Расчет является предварительным. Точные условия по кредиту вам будут предоставлены в отделении банка.

The amount of monthly loan payments is 1,780,240.71 soums.
The loan repayment amount and the ratio of interest payments change every month. In the first month, the principal debt is paid in the amount of 191,666.67 soums. In the last month, the principal payment is 1,746,761.13 soums, and the interest payments are only 33,479.59 soums.
The total loan amount to be paid to the bank will be 10,681,444.29 soums.
If the loan term is longer, the ratio of the principal amount and interest payments will change during the repayment of the loan.
Let's look at the same example with a slight change of conditions:

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Suppose a loan of 10,000,000 soums was taken. But not for 6 months, now for 2 years (24 months), based on 23%. In these terms:
The amount of monthly payments is 523,733.06 soums.
In the first month, principal payments in the amount of 332,066.39 soums and interest payments in the amount of 191,666.67 soums will be made. and in the last month, the interest payment will be only 9,849.44 soums.
The total loan amount paid to the bank will be 12,569,593.45 soums.
A differential amortization method is a method of amortizing a loan in which the same amount of principal is paid each month, and the interest payments gradually decrease as the loan balance decreases. decreases.
In the first months, the amount of payments will be the highest and will decrease every month. The amount of payment in the last month will be much less than in the first month.
Let's look at an example with the same conditions as above using the loan calculator.
Let there be a loan in the amount of 10,000,000 soums for 6 months based on 23%. In the differential method of loan repayment, the amount of monthly payments is as follows:

Параметры кредита

Сумма кредита **10 000 000.00 сум**
Период кредитования **6 месяцев**
Льготный период **0 месяцев**
Процентная ставка **23% годовых**
Порядок погашения **дифференцированный**

Результаты расчета

Всего выплат **10 672 146.12 сум**
Переплата **672 146.12 сум**

На печать | Поделиться

№	Дата	Остаток кредита	Сумма погашения кредита	Сумма процентов по кредиту	Итого к погашению
1	11.05.2021	10 000 000.00	1 666 666.67	189 041.10	1 855 707.76
2	11.06.2021	8 333 333.33	1 666 666.67	162 785.39	1 829 452.05
3	11.07.2021	6 666 666.67	1 666 666.67	126 027.40	1 792 694.06
4	11.08.2021	5 000 000.00	1 666 666.67	97 671.23	1 764 337.90
5	11.09.2021	3 333 333.33	1 666 666.67	65 114.16	1 731 780.82
6	11.10.2021	1 666 666.67	1 666 666.67	31 506.85	1 698 173.52
			10 000 000.00	**672 146.12**	**10 672 146.12**

⚠ Расчет является предварительным. Точные условия по кредиту вам будут предоставлены в отделении банка.

The monthly payment amounts differ from each other. Thus, the payment in the first month is 1,855,707.76 soums, of which 189,041.10 soums are interest payments. The payment amount for the last (6) months is 1,698,173.52 soums, of which only 31,506.85 soums are interest payments. The total amount you need to pay to the bank is 10,672,146.12 soums.
In case of extension of the term, for example, for 24 months, the amount of the first payment is 605,707.76 soums, of which 189,041.10 soums are interest payments. In the last month (24), the amount of payment is equal to 424,805.94 soums, of which 8,139.27 soums are interest payments.
When the loan period is two years, the amount to be paid to the bank is 12,398,721.46 soums.

Difference between two payment methods. As a result of comparing two methods of making payments on a loan of 10,000,000 soums, we can conclude that the differential payment method

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is 9,297.82 soums and 170,871 for the period of 6 months and 2 years, respectively, compared to the annuity. We can see that it is more profitable for .99 soums.
So, if we compare the annuity and differential repayment of the loan, if the conditions are the same, the amount of payments in the first case will be slightly higher.
Advantages and disadvantages of these payment methods
Annuity method of loan repayment:
+ you know exactly how much you will pay each month. By knowing your costs for the loan obligation, you can plan your budget more accurately.
- interest payments make up a large part of the first payments.
The differential method of extinguishing the loan:
+ in the last months of the term, the amount of payment on the loan will decrease, because the principal and interest payments will decrease accordingly.
- great financial pressure at the beginning of loan payments.

Regardless of which payment method is chosen, if the credit history is not good, the probability of the bank granting a loan decreases. Credit history is available to anyone who has used the credit services of banks, microcredit organizations, pawnshops, leasing companies, and household appliances, furniture, and similar stores at least once in a lifetime.

Credit history is detailed information about where the client borrowed from, from which credit institution, how much he borrowed and how he subsequently paid it, that is, it is a reflection of the client's financial discipline as a borrower.
According to the Law of the Republic of Uzbekistan "On the Exchange of Credit Information", the credit history includes information on the obligations of the debtor for the last five years and reflects the following:

- about the debtor;
- • about current and closed loans, the value of commodity loans, the date of issuance, term and balance;
- • on overdue debts;
- • about the mortgaged property and the owner of the current and closed loan;
- • on loans in court proceedings;
- • about the date of formation of the credit history and the organization that prepared it.

In addition, the credit history, in addition to the information about the direct debtor, the lessee, guarantor, guarantor, mortgagor and participant as an insurer of the loan agreement includes information about individuals and legal entities.
Thus, the credit history is an important factor influencing the signing of contracts involving the lending of money and other assets.
The Credit Bureau collects credit data and operates under a license issued by the Central Bank.
The credit bureau cooperates with banks, microcredit organizations, pawnshops, leasing companies, and some stores (retailers) not only in order to create a database of debtors who are individuals and legal entities, but also to exchange this information.
Information about the contract for lending money and other property is submitted to the Credit Bureau without the consent of the debtor.
The credit bureau evaluates the financial situation of debtors, as well as the ability to repay the debt, and also forms a rating system (scoring) for evaluating debtors.
Credit scoring is a system of scoring your ability to repay a loan. The points awarded to you depend on whether or not you have overdue debt, as well as income, type of activity, age and marital status, and other such factors.

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In order to increase the score, the client needs to monitor his credit history, fulfill obligations on time without increasing the amount of debt. The client has the right to receive information about his credit history from the credit bureau, without giving any reasons, only once a year for free and on a paid basis..

Thus, it is possible to build a good credit history as follows.

- • Placement of fixed payment dates according to the loan repayment schedule on mobile phones and other devices;
- • After the next loan payment, check with a bank employee every time through a personal cabinet on the mobile application or website.

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