

**BANK OF ISRAEL**

Office of the Spokesperson and Economic Information

October 22, 2023

Press Release:

**Instructions from the Supervisor of Credit Data Sharing for dealing with the ramifications of the Swords of Iron War and reducing of the adverse impact on customers**

The “Swords of Iron” War imposes an economic burden on many of Israel’s citizens, which is expected to be reflected in data that will be reported to the Credit Data System, which serve various credit providers in assessing the risk in granting loans to borrowers. The change in the data is liable to adversely impact borrowers’ ratings, their ability to receive credit, and the terms of the credit.

The Supervisor of Credit Data Sharing at the Bank of Israel instructed the information sources reporting to the credit data register to identify and to mark the negative data that will be reported in view of the security situation and its impacts on the country’s citizens. Marking the data will enable the credit bureaus and credit providers to distinguish between negative data generated before the war and negative data created after the war broke out.

In parallel, the Supervisor contacted the information sources and required them to take care to report the business easings granted to customers in a manner that aligns with the records in their internal systems, which in general are not intended to reflect a negative indication regarding the customer in respect of those easings. Within this framework, clarifications were given regarding the manner of reporting required in the following cases: deferral or freezing of loan payments, new arrears in transactions, checks that were returned or authorized debits that were returned. These guidelines are intended to ensure accurate reporting on the situation of customers and to prevent an unwarranted adverse impact on them.

**Bank of Israel Director General Shulamit Geri** said, “The steps published today by the Supervisor of Credit Data Sharing are another pillar in the assistance provided by the Bank of Israel to the public in order to get through this challenging period and to strengthen the national resilience of the State of Israel’s citizens. We at the Bank of Israel will continue to provide a response to the various economic issue deriving from the war and will formulate steps for economic support and assistance in accordance with the tools available to us, in view of the security situation and for the public.”

**Supervisor of Credit Data Sharing at the Bank of Israel** **Eyal Hadad** said, “The adjustments that we’d like to make will enable the credit data system to reliably reflect the customer’s payment ethic, and will support the granting of credit to the customer during and after the crisis.”

We again would like to bring to the public’s attention the services offered by the credit providers with the goal of making things easier for the customers. In this regard, it is suggested to contact the credit providers to whom you are obligated, and to examine the options of deferring or spreading out payments to the extent this is necessary for you. Additional information and contact details can be found on the Bank of Israel’s website: <https://www.boi.org.il/bank-of-israel/iron-swords/>

In this regard, we recommend working together with the credit providers to prevent, to the extent possible, situations of deviation from credit facilities, returned checks, or delays in payments. Deviations or delays that were not arranged in advance are liable to adversely impact the credit rating and the ability to receive credit under good terms in the future.