

What is CIBIL Score Range?

CIBIL score is a credit rating offered by the Credit Information Bureau India Limited (CIBIL). The score assigned by this RBI-licensed credit information company analyses your credit history and rates your creditworthiness. A good score gives you a higher chance of loan approval and benefits like a hassle-free process and a lower interest rate.

Typically, the CIBIL score ranges between 300 and 900, where 300 is considered a bad score and 900 is considered an excellent score. Here's a quick summary of the CIBIL score range and what it means while taking a loan from a bank or financial institution.

CIBIL Score	Range	Interpretation
800 and above	Excellent	It reflects high and reliable creditworthiness and is considered the best CIBIL score range.
700 - 799	Good	This CIBIL score indicates responsible loan repayment background and credit behavior.
600 - 699	Fair	Falling in this CIBIL score range implies that you have late or irregular loan or credit card bill payment behavior.
Below 600	Poor	This is an unacceptable CIBIL score representing you as a high risk for banks and financial institutions.

Understanding Different CIBIL Score Ranges

Each CIBIL score range determines the chances of your loan approval. Let us understand all the ranges in further detail.

- **CIBIL Score Range of 800 and above:**

If your CIBIL score falls in this category, then you must take a moment to appreciate yourself for it. Your healthy credit handling style has landed you in the best credit score range. It reflects that you have timely paid all your loan installments and credit card bills. With no negative markings or flaws in your credit report, the financial institutions find you distinctly creditworthy.

- **CIBIL Score Range between 700 and 799:**

If your credit score falls in this bracket, you're relatively doing well as this is considered a 'good' CIBIL score range. The majority of the people fall in this range. While it is considered a good score and implies that you have a reliable credit history, there is still a small scope of improvement to increase your chances of loan approval by reaching above 800.

- **CIBIL Score Range between 600 and 699:**

This CIBIL score range does not reflect a healthy credit history. It implies that you have irregular payment behavior. While some banks and financial institutions may still find this credit score acceptable, most of them may not. If your score falls in this range, then you must ensure timely repayment of loan instalments and credit card bills to stop your score from falling further. You must also take additional steps to improve your score.

- **CIBIL Score Range below 600:**

This rating falls under the 'poor' range of credit score and is unacceptable by most banks and financial institutions. It indicates low creditworthiness and poses you as a high-risk borrower to the bankers. Usually, people get such a low score when they default on the loan installment or miss the credit card bill payment. If you fall in this range, then you must take significant steps to improve your score.

CIBIL Score Range	Chances of Loan Approval
800+	High
700 - 799	Likely
600 - 699	Fairly Low
Below 600	Significantly Low

Impact of CIBIL Score Ratings

1. “Excellent” CIBIL Score:

Having an ‘excellent’ CIBIL score of 800 or more makes the loan application process exceedingly simple for you. With this score, the chances of loan approval are the highest. In addition to that, your high creditworthiness puts you in a position to negotiate interest rates. The banking institutions may also agree to offer you a loan on favorable terms.

2. “Good” CIBIL Score:

The CIBIL score in the range of 700 and 799 is considered “good” and puts you in a position where your chances of loan approval are fairly good. However, you must note that some institutions may still reject your application. The banks that approve your loan may not get you the best interest rates and the terms may not be as favorable compared to the borrowers with ‘excellent’ scores.

3. “Fair” CIBIL Score:

Having a CIBIL score between 600 and 699 could have a bad impact on your credibility. With this score, the scope of rejection of your loan application is high. Even if the banker agrees to offer you the loan, they may ask for a guarantor. In the case of housing or car loan, a higher down payment may also be demanded. Moreover, the banks may also charge you a higher interest rate on the loan.

4. “Poor” CIBIL Score:

The CIBIL score below 600 is considered ‘poor’ and can have a worse impact on your credibility. With such a score, there is a very poor possibility of getting approval on your loan application. It puts you in the risky borrower’s category as the bankers may worry about the repayment of the loan based on the credit history. To improve the score, you must maintain low outstanding debt and never miss the loan installments.

