

A Research on the Development of Credit from P2P Online Lending Reference Perspective

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Abstract: In recent years, P2P online lending industry has shown explosive development, the industry size and its turnover to expand at an alarming rate, but the asymmetric information, credit system is imperfect, the absence of industry regulation, lack of relevant legal measures, resulting in credit risk increasing conflict, poor borrowers abound. At the insistence of the online lending platform does not reveal all the details of the premise, to promote the healthy and orderly development of P2P online lending industry, we should broaden the scope of information collection, data sharing and to strengthen cross-sectoral collaboration and other aspects of credit to solve the problem of asymmetric information, establish and improve promises discipline mechanism, improve relevant laws and regulations and to build a credit culture in a bid to speed up the construction of credit system, improve the ability to control the wind industry, regulate the industry.

Keywords: P2P network lending, Credit Risk, Information asymmetry, credit.

INTRODUCTION

By the CBRC, the Ministry of Industry and Information Technology, Ministry of Public Security, the State Internet Information Office and other government departments on the draft, the CBRC on December 28, 2015 released "Network Information lending agencies Business Activity Management Interim Measures" (hereinafter referred to as the "Rules") (draft), the "measures", said P2P online lending refers to the direct lending between individuals and individuals through the internet platform to achieve. Individuals include individuals, legal persons and other organizations. Its essence is financial disintermediation, it relies on the online lending platform network lending. Network lending platform is the means established by law, to provide matching lending transaction information gathering, publishing, financial information agency interaction, credit rating and other services.

First, the current development of P2P industry

In June 2006, Chinese first online lending platform - letter should set up in Beijing, which opened the prelude to the development of Chinese Internet lending industry. In recent years, net loan industry strong momentum of development, after just a decade of development, the net loan industry has begun to take shape. According to the data of domestic rating agencies net loan House announced, as of the end of December 2015, the number of network operating platform lending industry has reached 2595, an increase

of 1020 compared to the end of 2014, 2015, net loan industry annual turnover reached 982.304 billion yuan, compared with 252.8 billion yuan in 2014, an increase of 288.57 percent, the cumulative volume for the first time exceeded one trillion mark, reaching 1.3652 trillion yuan [1]. The number of loans and net loan investment reached 586 million persons, respectively, and 285 million, respectively, compared to 2014 increased by 405% and 352%. Banks, state-owned listed companies, venture capital and other continuous influx accelerate layout net loan industry, according to incomplete statistics, there are banks, state-owned listed companies, venture backed platform followed by a 14, 68, 48, 68, increasing the strength of the platform. But at the same time its rapid development, the number of platforms surge in net loan issue, the year 2015 problem platform reached 896, it is 3.26 times that in 2014, the network business lending industry types appear alienation, online lending platform also departing from the essence of information intermediaries in risk identification and control of asymmetric information, limited technical capacity analysis, resulting in a backlog of bad loans, risk-prone industries, platforms funding strand breaks, internet failures, common occurrences on foot.

In the absence of complete credit data, in order to reduce credit risk, enhance risk identification, most platforms by assets under mortgage, line of credit check, access to personal or corporate bank credit records, establish a risk reserve system, and rigid platform fallback payment net loan and other conduct

business, on the one hand increases the operating costs of the platform, on the other hand most of the commercial banks and other financial system divorced from people outside the exclusion, just to subvert its original purpose small micro-loans target population. Meanwhile, the government promulgated the "Measures" (draft) expressly locate the information intermediary nature of platforms may not offer to increase trust and other related services, and existing business support is not sufficient to gather complete information to assess the risk, coupled with the industry regulator policy has not yet introduced, the network wants to lending industry have gained long-term health, can only maintain its role, further expand to reflect the identity of the borrower, the borrower uses the range to collect, repayment ability and willingness to repay other aspects of information, further solve the asymmetric information adverse selection and moral hazard problems caused by, and taking full advantage of the introduction of advanced technology and risk assessment models, the introduction of professional risk control personnel, to strengthen their risk control capacity building, better risk identification and risk pricing, the maximum possible adverse borrower excluded [2].

Second, the existing credit system and its characteristics

Our modern credit system construction started in the 20th century the late 1980s, has been more than 20 years of history to explore. June 2014, the State Council promulgated the "Outline of the social credit system construction plan (2014-2020)" clearly of China's credit system construction in the coming years the basic idea, noting that in 2020, the basic set up covering the whole society credit system. At present, China has basically completed the coverage of the population and the institutions of the world's largest number of personal and business credit information system, and promulgated the "credit industry regulations," further standardize the development of the credit industry and the credit industry further development of the foundation. January 2015, People's Bank of China issued the "credit on good personal operational readiness," which indicates that China's personal credit market officially opened, the existing government-run credit market is functioning the way public credit mode and private credit market-oriented manner coexistence inter bank credit development to take shape, joint credit at the initial stage of exploration, mainly in the Financial credit system [3], Third-party professional credit system, E-commerce Credit system [4].

Financial credit system

At present, Chinese public credit institutions than about 20, the main representative of Chinese financial system credit to the central bank led to financial credit information database based set up. In 2002, the Chinese

People's Bank of enterprise credit registration and consulting system to achieve the national inter-provincial city network in 2005, the Chinese People's Bank personal credit information system implemented in the national network operation, 2008, the Bank of Credit Information Center was established in Shanghai, based on its credit information system credit information database located in the state-established, at present, credit centers in 31 provinces and five municipalities with a credit sub-centers, based on a database each have substantially domestic credit activities of enterprises and individuals the credit file, according to official data, as of the end of April 2015, the credit system included more than 860 million individuals, businesses and other organizations included nearly 20.68 million. Its wide range of information collection, mainly in bank credit information as the core, and also included social security, provident fund, environmental protection, taxes, civil judgments and execution of public information; access to the commercial banks, rural credit cooperatives, trust companies, finance companies, auto finance companies, small loan companies and other lending institutions, with the rapid development of Internet banking, the Bank of credit Information Center is also expanding the scope of data collection improve their function.

Based on the characteristics of P2P online lending participation side, the existing financial credit information database presents no fewer defects. First, divorced from the edge of the financial system or corporate borrowers Due to its low participation credit activities, leading to lack of credit history or a serious lack of, can not meet the requirements of a risk assessment, as included in the database of more than 800 million individuals, the real with a bank only 300 million credit relations, and the remaining 500 million people only economic record, in addition to natural persons not in the database scale up to half of the total population; secondly, alone database contains information on credit status and repayment capacity assessment is not comprehensive enough complete information on the activities of their daily situation is missing, assess prone to bias; again, a large number of dispersed in industry and commerce, taxation, commercial banks, securities, insurance, foreign trade, customs, transportation, public security, courts, quality control, environmental protection credit information and data information, and other departments have not been fully utilized, only a few open to the public sector to achieve a data query to a certain extent, but open to incomplete data, a lot of valuable information to be idle, serious waste of resources information, even if the proceeds to finance credit information database, which also serve traditional credit institutions and other major banking sense, a serious impediment to the realization of the value of their information.

Third-party professional credit system

In March 1988, Shanghai Far East Credit Rating Co., Ltd. was established, which is the first independent of the banking system of socio-professional credit rating agencies. As of the end of June 2015, there were 17 provinces (municipalities) of the 78 companies in the People's Bank credit institutions branches to complete the record, the main representatives of Shanghai Far East Credit Rating Co., Peng Yuan Credit Rating Co., Ltd., its main mode of operation to distinguish between industry tailored risk assessment model that provides credit reports according to user needs, data cleansing and integration analysis, business decision support and data rating and share bad borrowers blacklist. Compared with the traditional credit system, the main advantage of third-party professional credit system in the range of information that it collected more extensive, with the advent of the era of big data, third Fang Zhengxin break through the traditional mode of data collection credit, including Online shopping, transfers, utility bill payment, address and work to change social relations, at the same time, have a large number of professionals and more sophisticated risk assessment techniques to enrich their experience, risk sensitivity is higher, but at the same time, the outside agency data the greater dependence, and because of permissions issues, relevant information can not be collected.

E-commerce Credit system

In January 2015, the central bank issued "on good personal credit business preparatory work notice" requirement sesame credit, Tencent and other credit agencies prepare eight individual credit information services, which means that the individual credit information market. " gate ", compared to the Central Bank personal credit information system focused on collecting credit information," rear gate "individual credit information market penetration to more personal details of all aspects of life, such as a set of social, shopping data equal one of Ali and Tencent as the representative of the E-commerce Credit system. Ali in credit mode [5], for example, by the end of 2012, Alibaba has the number reached 52 million registered members, Alipay break 800 million registered accounts, which use a large number of trade information, electronic business platform redundancy, the establishment of corporate integrity, giving Taobao Diamond Max Crown stores, building personal PayPal

sesame integral, comprehensive knowledge of enterprises and Taobao store orders, inventory, customer reviews, and other information, including real consumer spending recorded a record each, through its data analysis techniques, in-depth data mining for customers to expand risk-based pricing, whereby credit as the basis, can be very good for risk control, for several years, its net loan bad debt rate is far below the industry average, lower than the average level of banks and other financial institutions, at the same time , compared to single bank borrowing costs, the cost is cheaper, and faster response. Its main advantage is that Ali has a mass of information and data directly related to the transaction, more conducive to grasp the characteristics of the user's behavior, and to analyze trends. The downside is that, due to the presence of a single brush, etc., the data are not subject to close scrutiny, some of the data may exist fraud, and limited the size of its own funds, limited lending capacity, at the same time, since he first entered the net mortgage industry, which lack of required professionals, it is difficult to meet the needs of its business and market development.

Third, the basic idea of our credit system inquiry

Today's market economy is the credit economy, build a healthy economic development of the credit depends on the credit system, the real business or personal credit credit data integrity, reliability, accessibility is the basis for credit services and premise that can carry out credit operations in a country or a region, the most basic requirement is whether the credit bureaus can legally obtain a variety of real comprehensive national consumers' personal data and all walks of life to achieve openness and social data commercialize. Based on the status of our credit system, is fully integrated credit information data, risk prevention and control, to achieve an orderly development of P2P online loan industry in the credit system construction stage, the Government in collecting credit data integration advantages obviously, therefore, the government should be led by inter bank credit to joint credit, credit linkage to achieve, finally pursue future market development of credit business.

Architecture government-led joint credit system shown in Figure 1:

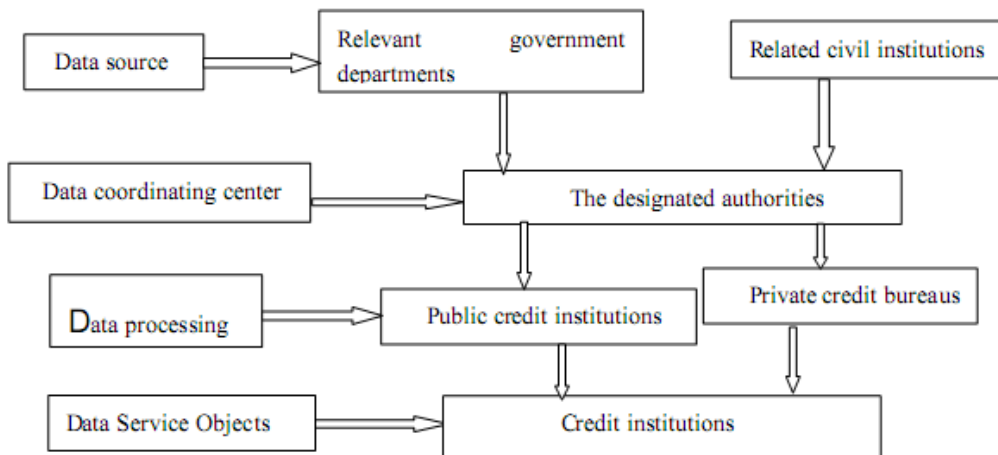


Fig-1: Architecture government-led joint credit system

Using full power of the government to build a center for harmonizing the credit industry data platform is in order to be able to get the most comprehensive credit data needed, and standardize data collection, and finally through the screening, public credit institutions meet the credit eligibility and private reporting agency can be obtained by paying the appropriate fee information data in the form of subsequent use of the existing technical and personnel development of all types of credit products for market use. Moreover, to ensure data security coordination center data, to avoid the risk of over-concentration data, credit information system can be distributed architecture model bee data,

the data remains in the unit of each data source database, you can call use. Specifically, the following:

Broaden the scope of information collected, the principles and adhere to timely information updates

According to the survey of credit and services where the market segmentation, credit market can be divided into the capital market, the commercial market, the consumer market, which collects data sources should include, but are not limited to the following, as shown in Table 1:

Table 1: Data collection range

Credit objects	Where the market	Data source
Financial institutions, large enterprises	Capital market	The central bank, commercial banks, non-bank financial institutions, SAFE, is rated objects, etc.
SME	Commercial market	Commercial banks, industry and commerce, courts, customs, and Technical Supervision Bureau, suppliers, etc.
Individual	Consumer market	The central bank, commercial banks, police, courts, telecommunications, real estate, car production registration, utilities, Social Security Bureau, insurance, etc.

In addition, the social networking highly developed modern society, people all the time using social networks such as QQ, micro letter, micro-blogging and other communication exchanges, commercial work, daily life, social networking has penetrated into every aspect of people's lives, and has large user groups, including software taxi, take-away orders software, has accumulated a large number of user transactions, more aptly reflects the consumer payment behavior patterns of users. Tencent QQ, for example, April 11, 2014, simultaneous online QQ users exceeded two hundred million, the disclosure of information in accordance with the relevant agencies, as of January 2016, Tencent 930 million registered users,

which built a huge information data Kingdom , familiar user pain points.

To enhance cross-sectoral credit data sharing and collaboration

In view of all walks of life within itself all we have the rest of the industry do not have the resources and information technology, should take concrete measures to collect data from the consolidated standard, perfecting the data using the mechanism in a bid to achieve interoperability information data.

(1) To develop uniform standards for data collection, implement standardized credit. The most important prerequisite to achieve data sharing

technology is to develop a number of key credit standards (such as data collection standards, data dissemination standards, etc.). As a result of different business objects and services enterprises, institutions, government and financial institutions, leading to its inclusion in the different daily operation information caliber, but difficult to share information, and should be fully clear credit system information required data content, from the business and technical aspects of data collection to start building standards applicable to all walks of life, at the same time, the need for credit standards to maintain and update dynamically.

(2) Improve the mechanism for data use. Government led the establishment of the data coordinating body for some or all of the credit unit of data sources, the data for each source of credit data collection unit package, and then screened to provide complete sets of credit institutions, their services can be paid to compensate data collection and information management costs, while also providing information for the benefit-sharing mechanism administered active units.

(3) There are complementary and coherent credit system, credit linkage. Existing credit system is different, you can make full use of their own advantages to achieve complementarity docking, from information gathering, data cleaning, technical analysis, risk pricing, personnel training, risk prevention and control and other aspects to achieve linkage, an occasion to expand its business market.

Establish and improve promises punishment mechanism

In the financial industry in the development of Internet P2P online lending, the costs and trade-offs dishonest dishonesty income individuals or companies choose to default or not is a very important consideration. Meanwhile, in reality, credit transactions more performance as "one to one" game, also mainly for dishonesty "one to one" dishonesty, dishonesty when the cost is too low, which inevitably breeds opportunism, fundamentally we need on this "one to one" game paradigm shift "many" game mode, increase the cost of dishonesty. Thus, for dishonest individuals or enterprises, first need to create a blacklist borrowers, real-time sharing, which promises in an industry into dishonesty of the whole society, it is not only limited in net loan industry, in all sectors share will be limited by the consequences of their actions caused. Ying Chan as bees Group data, which is the first credit Distributed Query Platform, which docked in the net loan industry more than 400 platforms, including user data in its possession portrait, operator data, P2P loan information, CUP data, net loan blacklist, business information, court enforcement records, credit history and other electricity providers to connect multidimensional data, the formation of a comprehensive monitoring of defense, the old Lai nowhere to hide. Meanwhile, in addition to shared blacklist, the credit for each subject

participating in the P2P network lending contract compliance shared jointly with the industry, inferred their behavior patterns. Second is to improve the disciplinary mechanism, mainly from the perspective of industry, administrative and judicial, with clear laws and regulations as a tool for actors involved in credit activities carried out in the beginning of the event of default of deterrence, warning, even though it clearly dishonest behavior in advance has not been effectively controlled, after the fact can not escape the appropriate punishment, thereby facilitate the achievement of credit transactions and normal performance for the post of dishonesty also clear penalty arrangements, taking records, warnings, penalties, cancel market access, shall be investigated for legal liability and other means of personal or corporate dishonesty dishonesty substantive discipline, it can not and do not want breach of contract, to standardize the development of P2P industry.

Improve relevant laws and regulations

Construction of credit system shall legislation first. Referring to the experience of other countries, credit information, and actively explore the establishment of P2P online lending represented by the Internet financial reference industry standards and norms, introduction of appropriate laws and regulations, safeguard the legitimate rights and interests of all participants in the Internet finance, promote financial health of the Internet order development. In the United States, to maintain the healthy functioning of the credit industry, the introduction of the law as many as many as a dozen, such as "Freedom of Information Act," "honest and Credit Law," "Fair Credit Reporting Act," "credit control law," " ECOA ", " fair credit billing Act, " " credit card issuance Act ", " Privacy Act ", " Uniform trade secrets Act ", etc., from the disclosure of the information collection and use aspects of the whole process of giving legal regulations, realization of credit standards and privacy protection. Therefore, our credit system build process, when the legislative conditions are not ripe, it should introduce the relevant laws and regulations, mainly from two aspects: First, the beginning of the credit, in order to ensure the accuracy of the information collection units to the source, objectively and truly provide the necessary information, in addition to the development of uniform data acceptance criteria other than need by means of legislation, asking them to ensure that the complete first-hand information provided outwardly open credit data and providing false data to conduct punishment to prepare. Second, the credit process necessarily involves the section on personal privacy and trade secrets, credit data collection needs clear, open and use the principle of the introduction of relevant laws and regulations to protect the interests of the main credit, in the collection of information, dispute settlement context, analysis, utilization should indeed implement in accordance with the relevant laws and regulations explicitly requested.

Strengthen construction of credit culture

Based on the concept of good faith on the basis of common understanding, business ethics and the spirit of the contract constitutes a modern credit culture system [5], and as a modern credit culture system of individuals, personal credit and awareness of the concept of credit is a credit society cornerstone of healthy economic development. Since 2001, China formally joined the WTO, China is playing a more honest, the role of a responsible big country, more and more frequently to participate in the world economy and trade in all regions to build their own credit system needs change was particularly urgent, but in practice, the construction of credit system is necessary to strengthen the credit culture to build external constraints, the specific performance of laws and regulations and social dimensions of institutional rules and other aspects related to the credit of the government, but also from the main body of the participating credit start with the concept, to create credit exposure to the subject of the cultural "soft environment" for their actions act as a "soft constraints" effect. Of course, credit cultivation work and do not receive immediate effect, require a long process, and gradually improve the individual's credit awareness through subtle influence, and to improve public awareness of credit, therefore, a benign social credit system in addition to We should build a more perfect social credit credit system other than should strengthen credit awareness of citizens, while strengthening the education credit management, create a good social credit environment.

CONCLUSIONS

Internet banking is the birth of the Internet age credit in the economy develops to a certain period of the particular product, and its development is relying on each other, a mutually reinforcing process. As one of the Internet on behalf of financial innovation, P2P online lending in its industry chaos, regulatory policy has not yet landed, an active role in the transaction process under realistic circumstances serious asymmetry of information, the credit system in its development can produce increasingly evident, and therefore accelerate the establishment of a sound and comprehensive demand credit system has become particularly urgent. Credit industry is a big investment, slow, long process of data collection industry, the experience of developed countries to build credit system mode, and to the reality of China, the development of future credit system is necessarily a government-led credit for the mainstream public, to further explore the integration of businesses information data to achieve interoperability, and with the international credit standards. After the development of the credit industry on track, to better meet market demand, should implement market-oriented operation of the credit industry, innovative credit products, at the same time, both stressed that a nationwide unified

credit, but also for the development of attention Fang Zhengxin local credit system to the body, to achieve integration, coexistence, differences in development. In addition, industry regulation, Li Keqiang as premier in May 2016 in the statement "Number Fair", for the new thing, to look upon the development, industry self-regulation in order to shift from mainly to government and industry regulation self-regulation, mainly in its development process introduced or adjusted regulatory policies for their specific problems, to explore the policy environment for its development.

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