

PREREQUISITES OF BEGINNING AND DEVELOPMENT OF CREDIT BROKERAGE IN RUSSIA

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Keywords: credit brokerage, credit-broker service, credit broker, credit-broker product, consumer advantages of credit brokerage, cooperation of credit brokers with banks, social aspects of credit brokers' work.

The definition of credit brokerage is given and the quality of a credit-broker product and service is determined in the article. The contents of a credit-broker service and advantages of the suppliers of credits and consumers' cooperation with credit brokers are revealed. The author demonstrates social significance of credit brokerage.

As a rule, the beginning and development of new spheres of activity in different branches of economics is a result of objective requirements of the market. So, in 2005 a new kind of economic activity in the sphere of retail crediting appeared in the RF. It was credit brokerage. It is noticeable that prerequisites of existence and development of this sphere of services are connected not only with the needs of some final consumers of credit resources and their suppliers (banks), but with the society on the whole.

Credit brokerage is a type of activity of organizations or individual entrepreneurs (credit brokers) which mediate and consult in a bank service market. The activity is directed to satisfy the potential borrowers' requirements in getting credit resources which have the most optimal conditions.

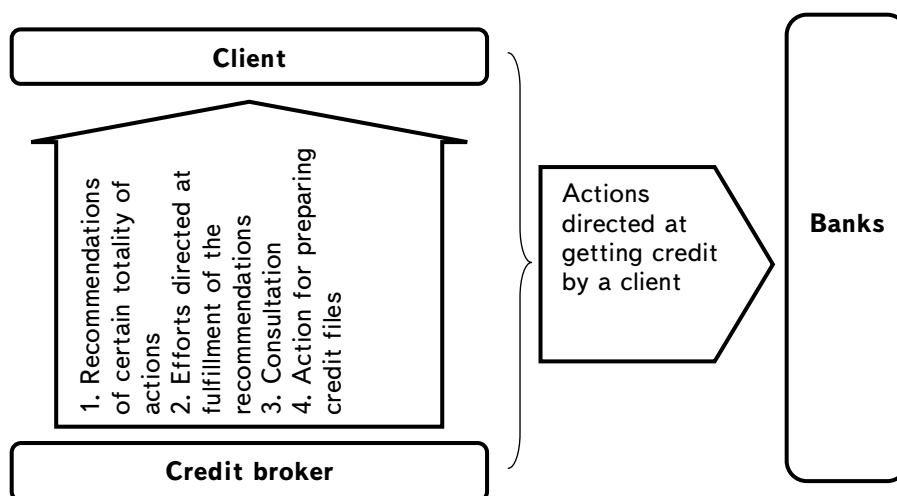
The contents of credit-broker service is shown in pic. 1.

A credit broker does not only give his professional services to a client but he also sells him a service of bank credit. A potential client gets a *credit-broker product* consisting of optimal scheme of bank credit which is in conformity with subjective criteria of optimal and credit-broker service.

The beginning of credit brokers is conditioned by a series of advantages of a credit-broker product for consumers over the service of a bank credit (pic. 2).

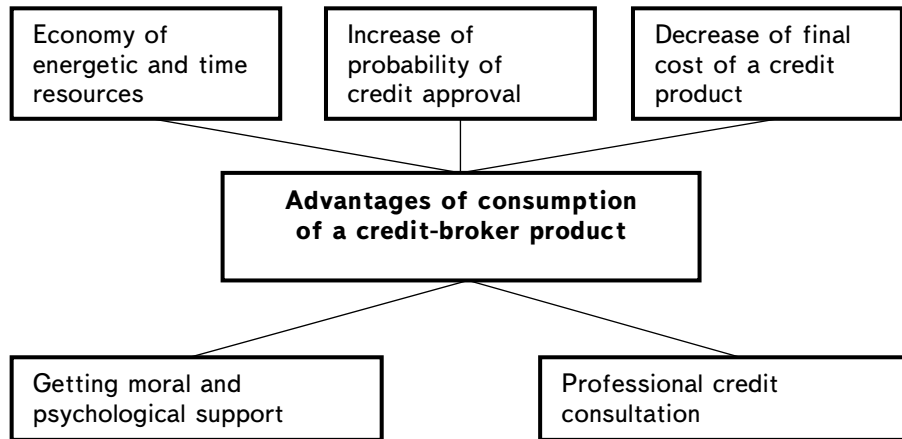
All consumer advantages mentioned above have some value to a consumer only on a certain level of quality of credit broker's services.

Perception of borrower's quality at the moment of using a credit-broker product goes in two main aspects: technical (what consumer

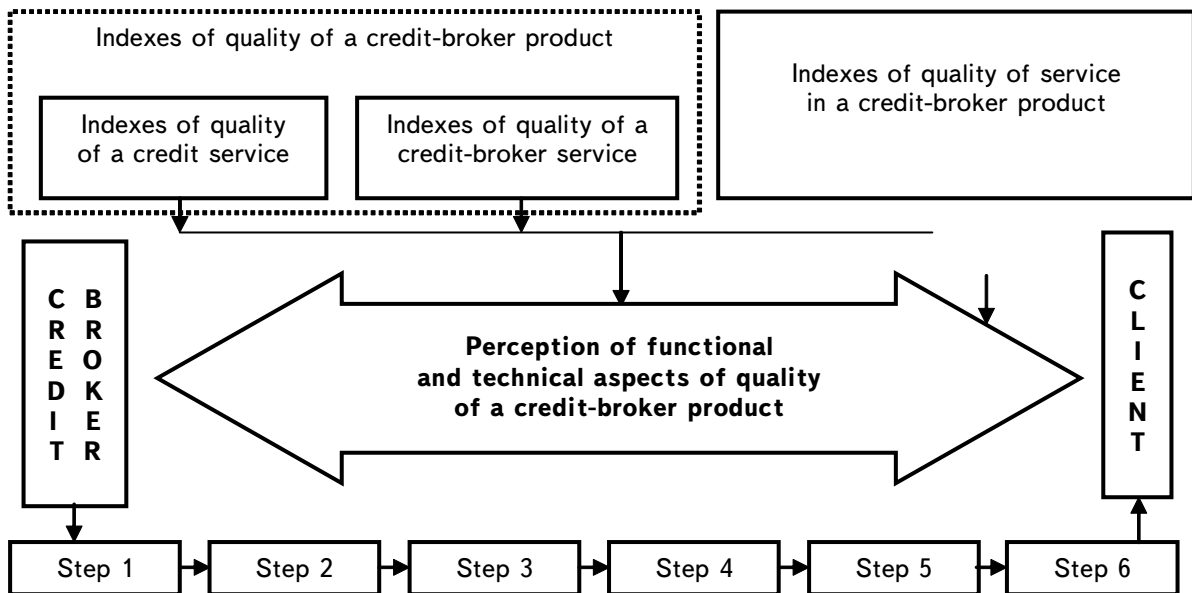


Pic. 1. Contents of credit-broker service

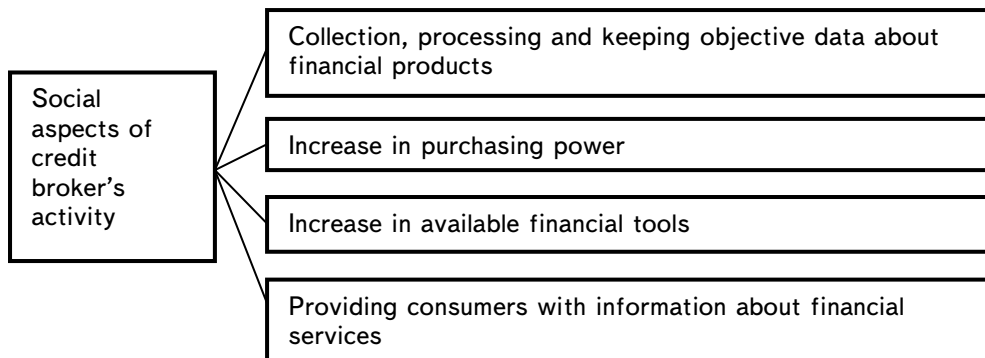
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Pic. 2. Consumer advantages of credit brokerage



Pic. 3. Conception of quality of a credit-broker product



Pic. 4. Social components of credit broker's activity

cost a credit-broker product has) and functional (as the quality of the process of giving a credit-broker product is high enough) (pic. 3).

The beginning of credit brokerage is conditioned not only by clients' (borrowers) needs, but also by suppliers of the services (credit organizations).

Roy Stephenson determines the following advantages of mediation channel of selling services of a commercial bank over alternative channels:

- ◆ low cost price;

- ◆ payment only according to the result.

Credit-broker companies are commercial structures although they fulfill a series of social-important functions.

In conclusion it should be mentioned that such a social-important sphere of action does not have any legal status. The necessity of existence of credit brokers on the state level is realized at a full extent, the thing that is evident for some public organizations, which proclaim the functions of a credit broker but do not fulfill them in full measure.

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