

# The Congress of Local and Regional Authorities



## Chamber of Regions

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## Overindebtedness of households: the responsibility of regions

Committee on Social Cohesion

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### Summary

The economic and financial crisis affects the consumption patterns of many families, particularly the most vulnerable who, to meet their essential needs, are exposed to overindebtedness or to usurious practices.

As an adjunct to the necessary development of national provisions, this report proposes regional measures, especially preventive ones, to protect consumers and ensure the financial inclusion of the poorest households.

It advocates control of lending practices and puts forward the idea of devising a European model for a code of good practice under the aegis of the Council of Europe in order to make all the players in the credit chain aware of their responsibilities.

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<sup>1</sup> L: Chamber of Local Authorities / R: Chamber of Regions  
ILDG: Independent and Liberal Democrat Group of the Congress  
EPP/CD: European People's Party – Christian Democrats of the Congress  
SOC: Socialist Group of the Congress  
NR: Members not belonging to a Political Group of the Congress



**A. DRAFT RESOLUTION<sup>2</sup>**

1. A growing number of households in Europe are experiencing a deterioration in their financial situation because of the recession, a worsening in their bargaining and purchasing power, an increasing use of credit to meet basic needs and above all the situation that they are increasingly faced by loans of low quality and high cost.<sup>3</sup> This and the increase of risks to a steady income sometimes leads them into a vicious spiral of over-indebtedness. Others, lacking access to legal sources of credit, fall prey to unlawful usurers, who, in parallel to other illegal activities that threaten public security, take advantage of their vulnerability.

2. On the wave of market deregulation and in the absence of preventive measures, these phenomena extend and deepen levels of poverty and exclusion, and affect the whole of society, leaving the local and regional communities to manage the social consequences of evictions and family break-ups.

3. The Congress recalls its recent work on responsible consumption and solidarity-based finance,<sup>4</sup> emphasising that all the stakeholders in society share responsibility for this matter, and considers that it is urgent in the current context to deal with the issue of over-indebtedness and usury, whether legal or not, and to guarantee the financial inclusion of the poorest households.

4. Considering that it is for the local and regional authorities to come to the assistance of groups in difficulty and to promote action at the local level, the Congress calls on regional governments to adopt measures to supplement the national provisions, lobby for credit regulations which address problems like credit card flipping, usurious linked products, kick-back provisions and so on, possibly by legislative means within the framework of their powers, in order to combat these phenomena. More attention should be given to lending practices, control and social consequences.

5 To this end, the Congress invites the regions to create favourable conditions for networking competences, sharing know-how and concluding partnerships with the institutional and economic stakeholders in their areas in order to implement the following activities:

a. make lenders and credit intermediaries aware of their responsibilities by laying down rules and alerting their employees;

b. create, where they do not already exist, and financially support effective debt advice services and link this provision to other municipal and local services; monitor local demand for these services, provide technical assistance for them and training for their staff;

c. on a preventive basis, develop :

i. budgetary support for all population groups, as well as reception facilities and social, economic and legal aid for over-indebted persons;

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<sup>2</sup> Preliminary draft resolution and preliminary draft recommendation approved by the Committee on Social Cohesion of the Chamber of Regions on 28 April 2009.

Members of the Committee :

*E. Haider (Chair), M. Khan (Vice-Chair) (alternate: J. Edney), C. Aksoy, M. Aliev, S. Altobello, S. Berger (alternate: P. Schowtka), J.-M. Bourjac, M. Castro Almeida, A. Clemente Olivert, A. Colucci, Z. Dragunkina, M. Gerasumenko, M. Gojkovic (alternate: D. Davidovic), U. Hiller (alternate: G. Krug), T. Karol, F. Lastra Valdes (alternate: P. Bosch I Codola), D. Lloyd-Williams, D. Ronga, E. Simonetti (alternate: P. Muratore), R. Tirlé, P. Wies.*

N.B.: The names of members who took part in the vote are in italics.

Secretariat of the Committee : D. Rios and M. Grimmeissen

<sup>3</sup> Especially revolving loans at extremely high rates of interest which, together with other costs act to prevent the borrower from paying off the original capital sum.

<sup>4</sup> Resolution 263 (2008) on responsible consumption and solidarity-based finance.

ii. an introduction to the banking and budgetary environment for the general public, individuals, recently recruited employees and vulnerable groups;

d. support organisations working to prevent over-indebtedness which inform and support over-indebted persons and promote responsible access to specially-adapted bank accounts and small credit for persons in insecure situations;

e. encourage access to responsible credit products, socially provided where this is required, in order to support people on low incomes to obtain or retain employment, secure mobility or occupational reintegration, or to facilitate access to housing;

f. combat usury on the ground by encouraging victims to report cases of illegal lending via confidential telephone hotlines, and set up specialised teams with the necessary powers to identify and prosecute perpetrators;

g. collect and evaluate data from credit and debt counselling, provide an annual report on overindebtedness, its causes and social effects in their region and effectively facilitate the reporting of cases of usury;

h. support conferences and meetings between the consumer, money advice activists and the banking industry in order to raise public awareness and inform professionals.

6. The Congress invites regional governments to draw inspiration from the Multipartite Social Contract designed by the European Committee on Social Cohesion (CDCS) when setting up mechanisms to support overindebted people; these contracts bring together public authorities and different civil society organisations to offer various joint services thereby avoiding a dispersal of efforts and promoting the responsibility of the beneficiaries and their commitment to initiatives of solidarity.

7. The Congress recalls Recommendation CM/Rec(2007)8 of the Committee of Ministers to member states on legal solutions to debt problems, and encourages regional governments to use their influence to ensure that their national authorities implement this text.

8. Lastly, the Congress requests its Committee on Social Cohesion to co-operate with its opposite number in the Committee of the Regions on the issue of responsible consumption and credit, as well as on the consequences of the economic and financial crisis.

## **B. DRAFT RECOMMENDATION<sup>5</sup>**

1. Credit has greatly expanded in a number of European countries over the last few decades, sometimes without sufficient monitoring and regulation to the detriment of consumers' rights. Certain improper commercial practices are used to entice families to misuse consumer credit and some of these families who live on the fringes of a system inappropriately distributing credit have recourse to such illegal practices as usury.

2. Specialised public agencies and credit and debt observatories have noted a resurgence of predatory lending practices driven by the current economic and financial crisis. Furthermore, the procedures for dealing with over-indebtedness which a number of member states have introduced are often complex and tend to penalise debtors by isolating them and their families, thus making them dependent on the community.

3. The local and regional authorities are directly confronted with the social consequences of these developments, such as ever-longer waiting lists for social housing, increasing numbers of persons with no fixed abode, and deteriorating health. The Congress welcomes the efforts of some local and regional authorities to adjust their social policies in this field.

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<sup>5</sup> See footnote 2.

4. With reference to its previous work on responsible consumption and solidarity-based finance,<sup>6</sup> the Congress appeals to the responsibility of the public authorities at all levels with a view to adopting a coherent set of measures to reinforce borrower protection and facilitate the financial integration of the most vulnerable households.

5. To this end, the Congress invites the Committee of Ministers to request member states to:

a. revise all their mechanisms for dealing with insolvency in consultation with consumers' associations, concentrating on the preventive aspect;

b. link up the maximum credit rates to reference rates rather than to those used by the credit institutions;

c. make all the players in the credit chain aware of their responsibilities by:

i. setting up a national databank recording all financial commitments entered into by individuals<sup>7</sup> and requiring lenders and credit intermediaries to consult this data facility, to secure all the requisite information from loan applicants in order to evaluate their financial situation and refunding capacity, and to pinpoint the most suitable type and amount of credit to grant them. Such databanks should be supervised so that the requirements of data protection and privacy are met, to prevent their misuse (eg for scorings that would allow higher interest rates to be extracted from poor consumers);

ii. establishing rules on the promotion, administration and implementation of credit contracts, accompanied by civil and criminal law sanctions against banks and credit organisations such as forfeiture of interests, and mandating national bodies to verify their practices;

d. set up, as an alternative to judicial proceedings, a nationwide network of debt mediation services (public or private) responsible for informing over-indebted persons of their legal rights and obligations and helping them propose debt clearance plans to their creditors or identify other legitimate strategies for dealing with their over-indebtedness;

e. promote education in financial matters for consumers and education on social matters for suppliers in a process of mutual learning;

f. encourage development and provision of responsible credit products in the private, co-operative, and public sectors which can meet the credit needs of those individuals hitherto excluded from the traditional economic and financial system;

g. co-operate with local and regional authorities to launch action on the ground against usury by establishing clear legal definitions of usury and providing human and budgetary resources for the setting up of teams with specific powers to conduct investigations and prosecute illegal lenders;

h. evaluate periodically activities geared to preventing and tackling household over-indebtedness and promoting financial inclusion.

6. The Congress invites member states to disseminate the approach developed by the European Committee on Social Cohesion (CDCS) in the Multipartite Social Contract, encouraging local and regional authorities and civil society organisations to coordinate their efforts to assist and provide services to overindebted people, setting up a dialogue with them and allowing them in particular to exercise their solidarity and civic responsibility; moreover the Congress asks the Committee of Ministers to reinforce the CDCS' activities on shared social responsibility involving citizens in the fight against exclusion.

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<sup>6</sup> Recommendation 244 (2008) on responsible consumption and solidarity-based finance.

<sup>7</sup> Such as the *Centrale des Crédits aux Particuliers* managed by the Belgian National Bank.

7. Furthermore, the Congress recalls Recommendation CM/Rec(2007)8 to member states on legal solutions to debt problems, which recommends alleviating the effects of the recovery of debt and respecting the human dignity of over-indebted persons and families. In order to ensure its effective implementation, it requests that the Committee of Ministers:

- a. ensure the promotion of the recommendation in member states vis-à-vis all the stakeholders;
- b. take practical action to assess its implementation, including gathering information from member states and exchanging good practices at national and regional level;
- c. work on introducing the concepts of ethics and social responsibility into credit practices by mandating the appropriate Council of Europe bodies to devise a European model of good conduct and model responsible lending policy for banks and credit institutions, in close co-operation with the relevant professionals and consumer non-governmental organisations, and associate the Congress with its drafting and dissemination.

8. Lastly, the Congress requests the Committee of Ministers to invite the member states which are also members of the European Union to take account of Recommendation CM/Rec(2007)8 of the Committee of Ministers to member states on legal solutions to debt problems when implementing EU Directive 2008/48/EC on credit agreements for consumers, which centres on information for the future borrower.

## C. EXPLANATORY MEMORANDUM<sup>8</sup>

### 1. Context

#### 1.1 Definitions and definition attempts

##### *Usury*

1. Usury has always been taboo in Europe, essentially on religious grounds. Before the Reformation, however, Christian doctrine used the term "usury" to designate interest-bearing loans themselves, which it prohibited, as did the Jewish and Muslim religions (between believers belonging to the same community). From the Reformation onwards, usury was considered to refer to the practice of abusive interest rates, and to not the loans themselves.

##### *Over-indebtedness*

2. According to a study published in June 2008 by the Observatoire de l'Épargne Européenne, the Bristol University Personal Finance Research Centre and the Centre for European Policy Studies,<sup>9</sup> an over-indebted household may be defined as "a household whose income is insufficient to meet all its financial commitments both currently and in the foreseeable future without reducing its standard of living below the minimum accepted in the country concerned".

3. This definition implies that over-indebtedness is structural (the financial difficulties must be persistent, not just the result of oversight, and must be impossible to resolve through the sale of financial or other assets), that it is assessed in relation to the capacity to meet current outgoings and all financial commitments (excluding informal commitments), and that it jeopardises the possibility of living in dignity.

4. The definition takes account of the household and not the individual, a household being a small group of people sharing the same home and pooling all or part of their income and assets.

<sup>8</sup> Prepared with the contribution of Mr Didier Noël, expert, Observatoire du Crédit et de l'Endettement A.S.B.L.

<sup>9</sup> *Towards a common operational European definition of over-indebtedness*, <http://www.oeefr>. Study carried out with the help of 19 national experts and part-financed by the European Commission.

## 1.2 Data

### *Household arrears and indebtedness*

5. Taking into consideration all types of household commitments, the above European study estimates that, on average, 9.5 % of European households are in arrears, with Greek and Cypriot households and those in central European countries being the hardest hit. On the other hand, only 3.6 % and 3 % of European households, respectively, seem to be in arrears with mortgages or rent and the reimbursement of consumer credit.

6. The countries with the highest household borrowing rates are Greece, Cyprus, certain central and eastern European countries (the Czech Republic and Slovakia in the case of housing loans, Poland and Latvia in the case of credit for consumer goods and services), the United Kingdom, Ireland, France and certain Scandinavian countries. The authors of the study do not consider that there is necessarily a link between the proportion of the population having difficulty in making ends meet and the size or number of such loans per household.

### *Over-indebtedness*

7. In a number of European countries there are no records of over-indebtedness, but various indicators suggest that it has been increasing over the last decade. Where judicial procedures exist, the number of cases in which they are used to deal with situations of individual insolvency is increasing steadily.<sup>10</sup> Non-judicial procedures are also being used more often.<sup>11</sup>

## 1.3 Possible causes

8. It is difficult to find identical causes of over-indebtedness throughout Europe, but the above-mentioned European study pinpoints risk factors which correspond to the features most commonly found in the over-indebted section of the population. These features concern the status and family situation of over-indebted people (being young and having children) and their socio-economic situation (being unemployed or, over the long term, having a low income and being in rented accommodation). No one, however, is born or inevitably becomes or remains indebted. A situation of over-indebtedness or one conducive to over-indebtedness changes with time and depends on the micro- and macro-economic climate and social habits. Latent over-indebtedness may, for instance, surface on the occasion of a sudden increase in outgoings or reduction in income. Minor payment arrears can become more serious or no longer be made good because of excessive prior financial commitments. These commitments, combined with a change affecting the household's financial or family situation, may lead to over-indebtedness if those concerned fail to manage their budget properly or are incapable of doing so. These observations belie peremptory assertions to the effect that over-indebtedness is due to personal imprudence or to life events

## 2. Preventing over-indebtedness and usury: regulation of credit

### *2.1 Information about credit and regulation of advertising*

9. To ensure that borrowers are properly informed of the cost of consumer credit, the European Union requires member states to oblige lenders to provide clear comparative information or objective figures in their advertising and requires credit agreements to contain the main financial information concerning the credit provided. The European Union's consumer protection policy, which is based on the provision of information to prospective borrowers, cannot, however, help to prevent usury and over-indebtedness unless it is accompanied by measures to educate people about financial services: the information gets through only to consumers who are interested and able to understand it.

<sup>10</sup> In Belgium, 64,493 judicial procedures of this kind were instituted in 2007, compared with 57,328 in 2006 and 49,655 in 2005.

<sup>11</sup> The number of debt mediation cases processed with financial support from the regional government (in southern Belgium) was 17,668 in 2006, compared with 12,614 in 2003.

10. In Belgium and other countries, consumer credit agreements must also contain statements warning consumers against certain abuses or reminding them of their right to receive a detailed amortisation schedule. Under Belgian law, the advertising of credit is subject to strict rules with regard to types of advertising which may lead to impulsive acceptance,<sup>12</sup> and some forms of misleading or unfair advertising, such as that addressed to the most vulnerable consumers or those already unable to honour their debts, are prohibited.<sup>13</sup>

### *2.2 Lender and credit intermediary's obligation to provide information and advice (responsible lending)*

11. In Belgium, before lenders make a consumer credit offer, the law requires them to consult the Central Individual Credit Register managed by the National Bank of Belgium. The Centre's database has a record of all consumer credit and housing loans already granted to prospective borrowers and any notable instances of repayment default. The lender and credit intermediary must also obtain from the prospective borrower all the information they consider necessary to assess his or her financial situation and ability to repay the loan. Lenders may grant credit only if, in the light of this information, they consider it reasonable to assume that the consumer will be in a position to honour his or her commitments.

12. In addition, the lender and credit intermediary must, amongst the contracts they offer or in which they regularly intervene, seek the type and amount of credit best suited to the financial situation of the consumer at the time when the contract is concluded and to the purpose of the funding requested.

### *2.3 Prohibition of the obligation to buy products associated with the credit*

13. Lenders should not be allowed to make, directly or indirectly, the offer of a loan conditional upon the purchase of another product, such as insurance, from the lender, the credit intermediary or a company related to them (in which case the real cost of the credit would be higher), with the exception of insurance guaranteeing reimbursement of the loan in the event of death, illness or disability on the part of the borrower.

### *2.4 Methods of establishing annual percentage rates and maximum debit charges*

14. The essential mechanism in the fight against usury consists in determining a maximum total cost of the credit, encompassing all interest and charges relating to the credit agreement, expressed as an annual percentage rate. This can vary according to the type of credit and the amount borrowed, and should be adjusted several times a year by a proportion identical to the change in a reference rate independent of the rates applied by credit institutions<sup>14</sup>.

15. This method would seem to provide more protection for borrowers than penalties imposed on those granting loans at a rate considered tantamount to usury, as in France. A rate that qualifies as usurious is one that is more than a third higher than the average rate applied during the quarter preceding the grant of credit for operations of the same type carrying similar risks. The level therefore depends directly on the rate applied by lenders, and this arrangement may prove ineffective in a climate where an uncompetitive market causes rates to spiral upwards, or where lenders come to an agreement among themselves.

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<sup>12</sup> Excursion organised by or on behalf of a seller of goods or services, door-to-door selling, credit advertisements accompanied by the dispatch of a credit card.

<sup>13</sup> For example, when an advertisement states "free credit", "even in the event of litigation" or "even to those on the National Bank register", when it encourages customers to "regroup", under abusive conditions, loans taken out previously, or stresses the ease or speed with which credit can be granted.

<sup>14</sup> For example, the "three-month EURIBOR", the reference rate for three-month treasury bonds and the reference rate for two- or three-year "linear bonds (OLOs). The maximum rates would be adjusted if the reference rate rises or falls to a certain extent.

*2.5 Credit agreements: restriction of duration, obligation to repay capital after a certain period, minimum capital repayments, regulation of loans exceeding the authorised credit amount*

16. In France, credit agreements are limited to one year, but the credit may be renewed provided the lender informs the borrower of the conditions of renewal. The question then arises of limiting the duration of agreements, without there being any possibility of tacit renewal, in order to prevent interest and charges from accumulating without any significant repayment of the capital borrowed, and ensure that improvident borrowers are not obliged to pay back a very large sum when they are notified of the end of the credit agreement.

17. One reply to this problem consists in restricting the duration of consumer credit. Another consists in introducing, for any credit granted for an indefinite period or a longer or shorter period where there is no compulsory periodic reimbursement of capital, the principle of "zéro tage", whereby, after a certain period, the borrower must reimburse the capital borrowed before drawing further on his or her credit reserve.

*2.6 Determination of the amounts due in the event of default, and settlement conditions*

18. In Belgium, the law sets a ceiling on default interest for consumer credit<sup>15</sup> and restricts the amount that may be claimed from the borrower when the latter defaults on the agreed payments and when the loan has to be reimbursed prematurely<sup>16</sup> (in the latter case, subsequent payments must, moreover, go as a priority to pay off the outstanding capital balance and repayment instalments due before being used to pay default interest.<sup>17</sup>)

19. It is also possible for borrowers who can no longer repay one or more consumer loans to ask the court for payment facilities if they can show that their financial situation has deteriorated since the credit was granted. This procedure is less complicated and cheaper and entails fewer constraints than those for dealing with over-indebtedness but is useful only if the borrower is not completely insolvent, which is quite unusual in practice.

### **3. Handling over-indebtedness**

*3.1 Debt mediation services: nature, organisation, tasks and funding*

20. Advice concerning financial and consumer services and help with managing a budget are sometimes not enough for an indebted person. Thus, public authorities should support the establishment of a network of debt mediation services responsible for helping over-indebted people to propose a plan for settling their debts, as a useful alternative to legal proceedings.

21. The service is to be chosen by the person concerned. The aim should be to analyse the individual's situation, determine his or her income, monthly outgoings, assets and liabilities, check the lawfulness of the sums being demanded and attempt to negotiate a plan for settling the debts with creditors or prepare other solutions, such as a judicial procedure<sup>18</sup>, which must be agreed on by the creditors. The service also provides information about the individual's rights and obligations and offers help with budgeting.

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<sup>15</sup> The rate may not exceed the agreed annual percentage rate, increased by a coefficient of 10%. If the agreed annual percentage rate is 0 %, the default interest rate may not exceed the reference rate provided for in the Civil Code.

<sup>16</sup> Outstanding capital balance, repayment instalments due, default interest on the outstanding capital balance, cost of issuing reminders or notice to pay, agreed penalty.

<sup>17</sup> To avoid a "snowball effect".

<sup>18</sup> Excluding refinancing of the debts (at a cost).



22. The debt mediation services may be public bodies often operating in municipal social welfare centres or private bodies in the form of not-for-profit organisations approved by the public (generally regional) authorities. They may ask the individual for a contribution in return for their work or require reimbursement of certain expenses, which are capped at very low levels. Public bodies (regions) can make a grant to such services. Subsidies from public funds can be financed with contributions from every client of the electricity and gas boards.

23. These services can receive help from experts with solving legal problems, obtaining legal documentation and specialised literature and dealing with difficult cases.

### *3.2 Other types of social assistance*

24. Financial aid can be made available for problematic debt situations, in the form of help with electricity and gas bills, payment of all or a proportion of debts and the financing of energy-saving facilities.

### *3.3 Offer of supervised re-financing*

25. In Finland, a public foundation guarantees loans made to over-indebted people to enable them to repay outstanding debts and honour their financial commitments under certain conditions (the over-indebtedness must not be due to personal negligence; it must be under control; the people concerned must be in a position to repay the loan; and there must be no other way for them to settle their debts). The foundation also offers other services: advice, debt mediation and help with household budgeting.

### *3.4 Judicial procedures for handling over-indebtedness*

26. Most European countries have introduced judicial procedures for dealing with over-indebtedness, which vary in type and as regards conditions of access and the nature of the debts concerned. They all allow the court to impose a debt settlement plan on over-indebted persons and their creditors. The decision is generally preceded by a "friendly" stage, during which an effort is made to obtain agreement among the various parties on a plan and, if this is achieved, the plan is then approved by the court. It may be incorporated into the actual procedure and be based on the court decision authorising the procedure (France, Belgium) or it may be a compulsory preliminary, without forming part of the decision (Netherlands).

27. Alongside the intervention of the court, these procedures lead to the appointment of a law officer (the debt ombudsperson in Belgium, the administrator in the Netherlands) to receive and check debt statements, investigate the living conditions and assets of over-indebted persons<sup>19</sup>, determine, where necessary, the income needed to enable them to meet current outgoings, retain the surplus income to pay creditors, arrange for some of the property of the persons concerned to be sold, draw up a debt settlement plan and supervise its implementation and monitor the good faith of the over-indebted persons<sup>20</sup>. Sometimes this supervisory role is not provided for but a number of the tasks listed above are carried out by a government department or other government body (département commission in France).

28. Usually, the institution of such procedures makes it impossible for creditors to bring individual prosecutions in order lay their hands on the assets or income of the persons concerned<sup>21</sup>. Naturally, those persons are not allowed to get further into debt; otherwise they forfeit the benefits of the procedure.

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<sup>19</sup> In Belgium the debt ombudsperson must consult the Central Individual Credit Register and the register of attachment orders, instructions by debtors to third persons and transfers of earnings.

<sup>20</sup> In the Netherlands, the administrator - who operates under the supervision of a bankruptcy judge - inspects mail sent to the over-indebted person during the first 13 months of the procedure.

<sup>21</sup> The Netherlands procedure may be preceded by a moratorium for a maximum of six months, which the court may impose on the creditors, at the over-indebted person's request, in certain circumstances (eviction, deprivation of fundamental services and lack of health insurance cover).

#### **4. Complementary national and regional strategies: the example of Liguria (Italy)**

29. Provision to prevent and handle over-indebtedness and usury should be diverse and be both designed and implemented over the same territory by the various levels of government after prior consultation. Local and regional authorities should also work in concert with associations active in the field.

30. In Italy, the regions may grant forms of assistance which complement those prescribed by (national) Act No. 108/1996 for preventing and combating over-indebtedness and usury. This statute determines, in particular, what constitutes a usurious rate and sets up machinery for assisting victims who break the law of silence.

31. The originators of a bill to enact a regional law in Liguria consider that society bears a certain responsibility towards over-indebted persons, whom it should support by helping them to put their financial situation in order through suitable procedures. When persons beset with financial difficulties no longer have access to the banking system and are insolvent, they may be prompted to seek credit through unofficial channels. These practices are nonetheless verifiable, often being preceded by a long period of indebtedness.

32. The legislative initiative before the Assembly of Liguria envisages the provision of financial assistance (loans) complementing those of the National Anti-Usury Fund, whose measures can no longer cope with the extent of these phenomena.

33. It provides for the creation of a regional observatory on usury and access to credit, capable of apprehending the regional circumstances and peculiarities. This institution would form an integral part of a regional project founded on the collaboration of various players, local authorities included, in order to:

- gather data and deliver analyses to the bodies involved in combating extortion and usury (provincial authorities, courts, police, chambers of commerce, voluntary associations),
- conduct awareness and information campaigns on the instruments of assistance (anti-usury services, loans on the borrower's honour),
- give the citizens financial education to increase their power of negotiation with credit brokers (professional or otherwise).