

Preventive measures and coping strategies for clients' overindebtedness



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Prevention

- Responsible finance by MFIs
 - Institutional capacities improvements: stronger internal controls, stronger medium management
 - Sound practice of repayment capacities analysis, credit risk assessment
- Regulation: credit registry data
 - Independent consumer focused institution
- Financial education
 - During credit procedure by each MFI
 - As an independent service within society

Resolution



- Improved regulation
- Debt advice center
- Internal institutional clients' protection principles
 - Respect clients: better communication

Tuzla Debt Advice Center

- British Embassy, EFSE, IFC, World Bank, OikoCredit support
- Activities until now
 - Educational seminars
 - Individual counseling
 - Pilot studies
 - Best practices implementation



MFI and banks' participation

- Pilot project with EKI, Partner and MI-BOSPO
- Lack of acknowledgment of a common problem
- Full counselling service expected to take time given limited resources



Future Plans

- Regulation
- State coverage
- Prevention and resolution
- Short term & sustainable funding

