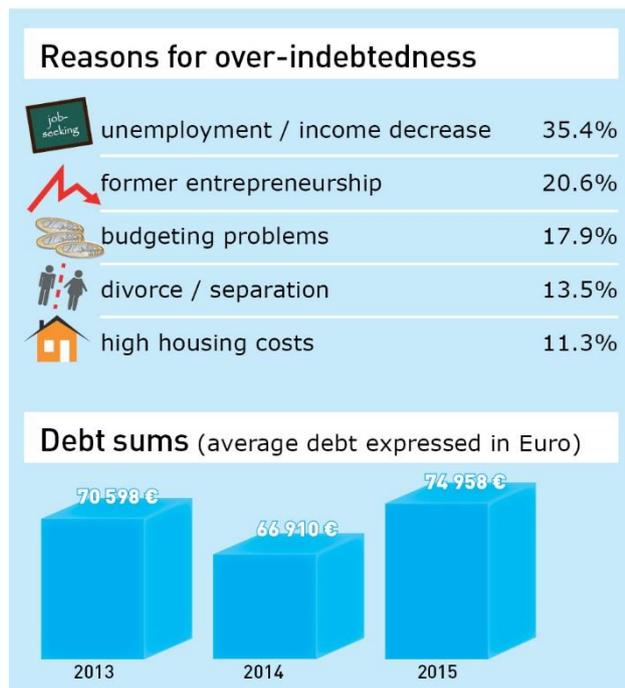


ASB Schuldnerberatungen, Austria Factors of success of debt advice in Austria:



Debt advice: state-approved and with a high public benefit



Debt advice services have been organized at a nationwide level since the late 1980s. Today 118 fulltime debt advisers are employed at 10 officially recognised debt advice services (with 19 additional regional offices) in Austria. Most debt advisers have a professional background in legal studies and/or social work. Officially recognised debt advice centres are entitled to use a specific debt advice label (see above). They are recognised by public authorities and receive public funding from the provinces and the public employment service. They offer profound advice on debt regulation (e.g. existence- securing measures, analysis of income and expenditure, complete inquiry of debt level, possible regulation measure, (out-of) court settlements, etc.). The service of officially recognised debt advice services is free of costs.

The Austrian debt advice services had 59.268 clients in 2015. Concerning EU SILC 2008 more than 748.000 people in Austria live in overindebted households.

Austrian state-approved debt advice services work according to binding quality criteria: all 10 debt advice services are certified under the international recognized quality management system ISO 9001:2008.

Austrian state-approved debt advice services also have also a high public benefit. That benefit was measured by an evaluation of the social and economic effects of the state-approved debt advice services by means of social return on investment (SROI) analysis in 2011. The method measured not only the financial but also the social impact of debt advice organisations. The result of the SROI value was 5,3. In monetary terms, this means that every euro invested in the state-approved debt advice services creates a return of 5,3 euros.

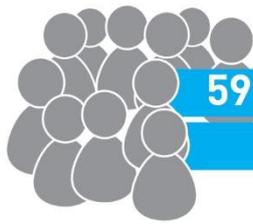
The role of ASB Schuldnerberatungen – umbrella organization of state-approved debt advice services in Austria

ASB Schuldnerberatungen - a private non-profit organization - is the umbrella organization of all officially recognized debt advice services in Austria. asb prepares the professional education and ongoing training of debt advisers by organising specialized seminars. It also coordinates the cooperation of the debt advice services in the field of quality management, public relations, financial education and debt prevention, monitoring of legal developments as well as the design of collective software to ensure the best possible work. asb also acts as the interface of the debt advices services with relevant ministries, researchers and creditors organisations. Continuous improvement of the quality of available debt advice as well as a commitment to making the political context more favourable in the fight against financial exclusion and over-indebtedness are at the core of the umbrella organisation´s agenda. In order to be better able to influence the overall social policy situation, asb is also an active member of the Austrian Anti-Poverty Network. In addition, asb acts as a trustee in legal personal bankruptcy proceedings.

Personal bankruptcy procedure in Austria

While the term personal bankruptcy - which was implemented in Austria in 1995 - is widely used, the official term given in the corresponding statute is debt regulation procedure, which is also referred to as repayment programme. The goal of debt regulation procedures is to give ‚righteous and well-motivated debtors‘ a realistic chance to make a fresh start. The prerequisites that debtors have to meet include manifest insolvency, regular income, the obligation not to incur any further debt, and the debtor in question must be in a position to offer a certain monthly sum for paying back the debt. During the repayment period the debtor shall be able to lead a life ‚under modest conditions but in dignity‘. In turn, collection measures are stopped and no interest rates have to be paid. If debtors meet the conditions of the repayment programme they will be regarded as free of debt and creditors will get a part of the sum owed.

Compared to the rest of Europe, Austria comes in last in two respects: on the one hand, as a rule, full bankruptcy discharge is granted only after seven years of repayment, and on the other hand, a minimum of 10% of the debts has to be repaid. This means that it is hardly possible for people with a low income or people at risk of poverty to get the chance to make a fresh start.

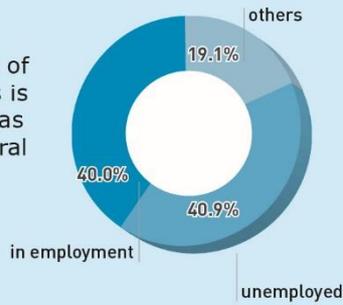


59 269 assisted persons

in 2015

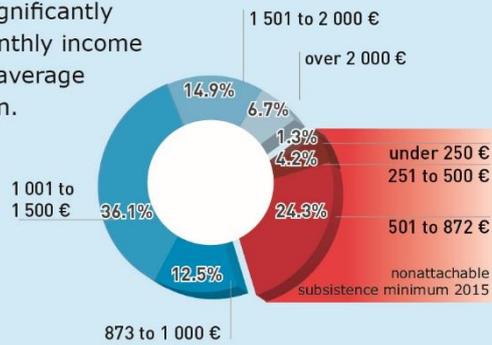
Employment of debtors

The percentage of unemployed clients of debt advice centres is more than 7 times as high as in the general population.



Income situation of debtors

Clients of debt advice centres have a significantly lower monthly income than the average population.



For further details in English, fact sheets and diagrams please consult www.schuldenberatung.at/english