

Option 1 - YES

- **Official communications focusing on definitions and terms that may be subject to interpretation:** For all definitions that are not clearly written within the directive itself there should be communications that clearly states, how these should be interpreted to avoid loopholes, where countries and society actors can minimize their own responsibility at the cost of the consumers.
- **Funding of financial education, debt advice and assistance initiatives in Member States:** We absolutely think that national funding of both financial education and debt advice in member states should be mandated, we need this to ensure that no consumer is left behind. Financial Education is important to teach consumers at a young age how to *wisely* spend their money and not end up getting completely over-indebted. This could be done both through the direct funding of education in school or through the funding of projects such as the French boardgame *Dilemme*, which aim is to teach young people how to handle their own private economy. But we also need to mandate the adequate funding of debt advice within member states to ensure that those consumers who do get over-indebted will have a place to get help.
- **Non-regulatory measure to clarify the right of early repayment and withdrawal:** This would be great, as it will be clear to the consumers what their rights are, and will not provide loop-holes for devious creditors and state institutions (see Awareness raising through campaigns).

Option 1 - NO

- **Awareness raising campaigns through ECCs:** Creating awareness is always a good thing, but we need to strengthen the directive, as awareness not only helps people and actors see what their rights are, but also help devious creditors and state institutions see what the consumers' rights specifically are not, making it easier for them to misuse the interpretation of the old CCD.

Option 2 – YES

- **Broaden the scope of the CCD (including by updating definitions):** We deem it necessary to broaden the scope of the CCD when it comes to over-indebtedness. Over-indebtedness is a common European problem, which should be tackled at an European level. At the very least, increased focus on the issue at an European level (for example through the directive), could facilitate action among national politicians, making them perceive over-indebtedness as a problem that needs to be addressed. In the initial drafts of the directive, over-indebtedness was in fact an important factor in relation to "responsible lending", but was taken out before the final version was adopted. We think that it is necessary for the directive, to include definitions and discussions of over-indebtedness, as the first step in the process of combating the adverse effects this problem.
- **More detailed requirements & Amend information-related requirements to focus on 'key information':** As it is now, the CCD leaves many elements of the credit process to the discretion of the individual member states. This means that there is a great deal of variation across EU countries in relation to how the banks assess the credit-worthiness of the debtor. However, we believe that if the EU really wants to create greater harmonization and integration between member states when it comes to the consumer credit area, then stricter rules are needed - for example by mandating the establishment of national debt registries. In other words, the clause that "creditors must assess the credit-worthiness of potential debtors" is far too vague in practice. It is necessary to specify the requirements for creditors, to ensure uniformity across the EU.
- **Non-binding guidance:** We support these measures as they contribute to a fair lending process. Evading unreasonable credit contracts, and ensuring that lenders are held responsible. However, as specified in above sections, the CWA (credit-worthiness assessment) is not sufficient in its current form. The requirements for lenders must be more stringent and more specific – in other words, require more than just transparency and information.

Option 3 A - YES

Better alignment with the Mortgage Credit Directive (MCD) with respect to certain obligations (responsible lending, information to consider during CWAs, financial education, forbearance): It will be good to align the two directives as we will need to think and act holistically if we want to help over-indebted consumers – Most over-indebted consumers have debt to more than one creditor and often to more than one kind of creditor. The consumers consumer organization and associations therefor need to be able to think bigger than just one kind of debt.

Regarding the difference between MCD and CCD:

“The novelty is the introduction of a number of norms that in principle may better correspond to the concept of responsible credit explicated in the policies. These include the following provisions:

- *the financial education of consumers in relation to responsible borrowing and debt management, including guidance to consumers in the credit granting process;*
- *conduct of business obligations and product suitability more tailored on individual circumstances, including methods of incentives or remuneration for staff or intermediaries;*
- *methods for calculating interest rates transparently.”*

The MCD goes further than the CCD when it comes to the concept of responsible lending and what constitutes a proper CWA, for example by introducing a “duty to deny” for lenders *“where the result of the creditworthiness assessment indicates that the obligations resulting from the credit agreement are likely to be met in the manner required under that agreement”*. Additionally, lenders must disclose the specific indications upon which the decision was made. In general, we support the alignment of the MCD and the CCD, as it is a step in the right direction. However, the two directives, in their current form, are not enough to ensure debtors from over-indebtedness.

Option 3B - YES

Obligation upon creditors to inform low-scoring consumers of the availability of debt advice services, and on Member States to provide them, directly or indirectly: We support the strengthening of debt advice provision, as debt advice has many substantial positive effects for consumers who are over-indebted. Studies also show that debt advice is cost-efficient, benefitting both the individual consumer as well as society in general. Today, there is too much variation in the availability and quality of debt advice across EU-member states, meaning that in many countries, citizens cannot reliably access debt advice. Obligating the provision of debt advice through the directive, would contribute greatly to ensuring a safe and stable consumer credit market across the EU.

No comments for the rest of 3B for now