



COVID-19 and debt problems in the Netherlands

Research and solutions for a joint action plan | 16 June 2020

In collaboration with, amongst others



Introduction

One million Dutch people face a harsh reality every day. They are dealing with debt problems that often keep them awake at night. Without targeted measures, the economic impact of COVID-19 will be a “wave” of additional people with debt problems.

This conclusion hardly requires any research: it simply results from the predicted economic contraction. And yet, if we are to properly anticipate the wave heading towards us it is essential to have a better understanding of its nature and size. This is precisely why SchuldenLabNL and Deloitte have joined forces to highlight the urgency of the situation, the numbers involved, and the most vulnerable groups. Armed with those insights, it is possible to take the best decisions for tackling the problem.

The research clearly reveals the urgency. Despite uncertainties about the exact impact, the fact that between 368,000 and 822,000 people are likely to experience a significant and prolonged loss of income this year is a mark of the pressing nature. More than ever before, this group is heterogeneous in terms of sector, age and region. They include many self-employed workers and flex workers. Many in these high-risk groups have no opportunities to cut costs, neither do they have a financial buffer. What’s clear, too, is that most of the people at risk are not yet on the “radar” of the authorities.

Municipalities and aid organisations should thus prepare for a huge influx of people with money problems and debts. This is a challenge for an ecosystem of debt counselling already faced with considerable challenges in recent years and hindered by a piecemeal approach to reducing debt problems.

The insights in this report are merely an initial step in the collaboration between public and private parties to tackle this major social issue together. The report identifies solutions that will be further explored in the coming period. Especially in these times we need to keep sight of the ambition SchuldenLabNL has: a debt stress free Netherlands.

Gerrit Zalm

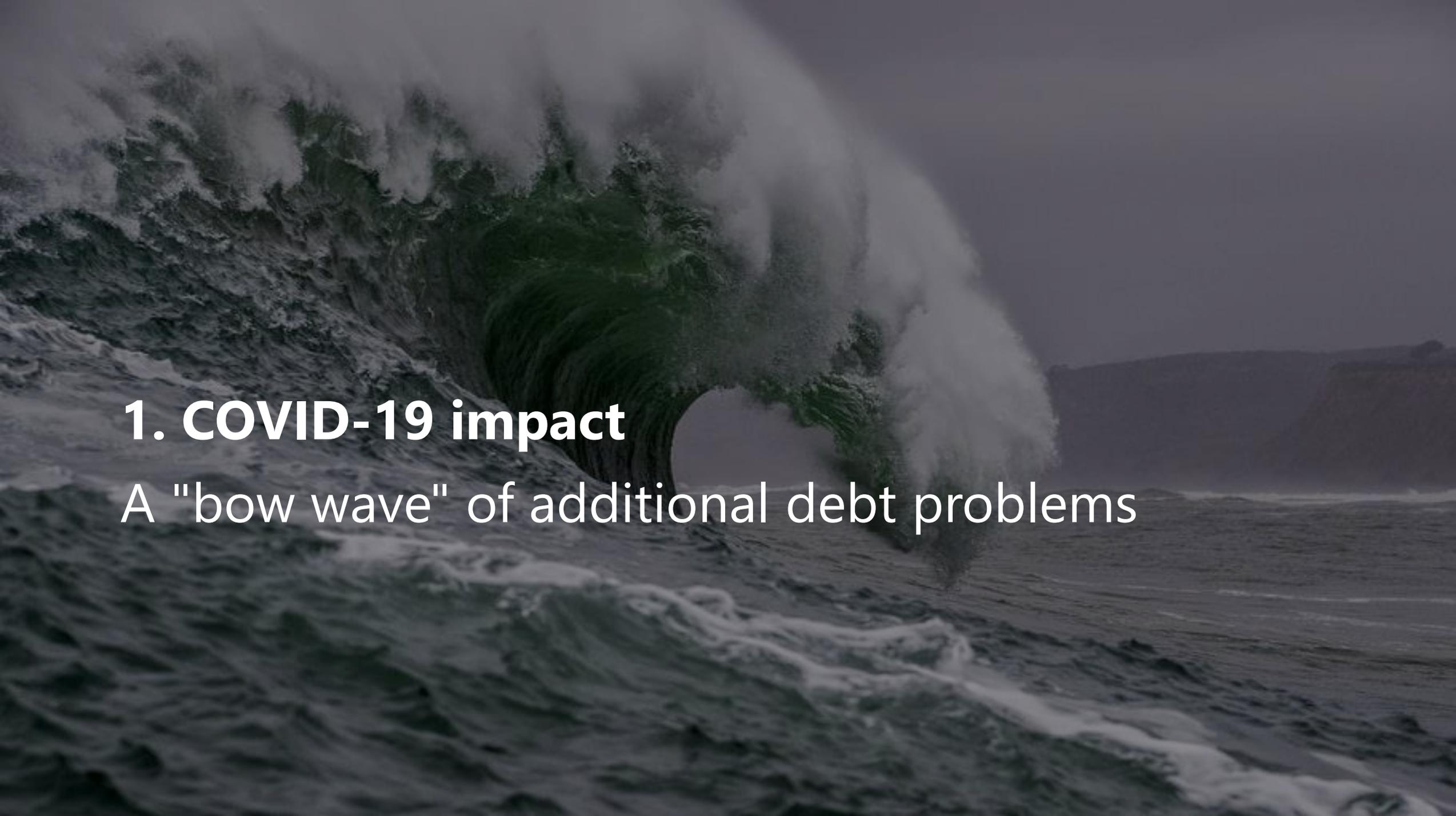
Chair SchuldenLabNL

Hans Honig

CEO Deloitte Nederland

The aim is to collaborate in tackling the “bow wave” of people with COVID-19 induced debts.

-  In March 2020, private and public parties were ready to conclude a pact to combat and **banish personal debt stress** in the Netherlands. However, the COVID-19 crisis forced a rethink of the joint approach.
-  As an independent foundation, **SchuldenLabNL** followed the request from its partners to take the coordinating lead, with **Deloitte** conducting the analysis and writing the action plan
-  Over the past month, input has been gathered from various sources and in discussions with institutes such as **NVB, NIBUD, NVVK, VNG, Wijzer in Geldzaken**, the Ministry of **SZW, Manifesto Group**, various municipalities, and other organisations
-  The action plan aims to form a **private public partnership** that will work on solutions to prevent or combat household debt problems.
-  The action plan’s problem-solving approaches focus on **actionable initiatives** as much as possible (scaling, accelerating, initiating); this fits the nature, scope and urgency of the challenge we face
-  The ambition is to focus on **further detailing** six problem-solving approaches. Our action plan can serve as input for all other programmes already in place. Collaboration is the motto



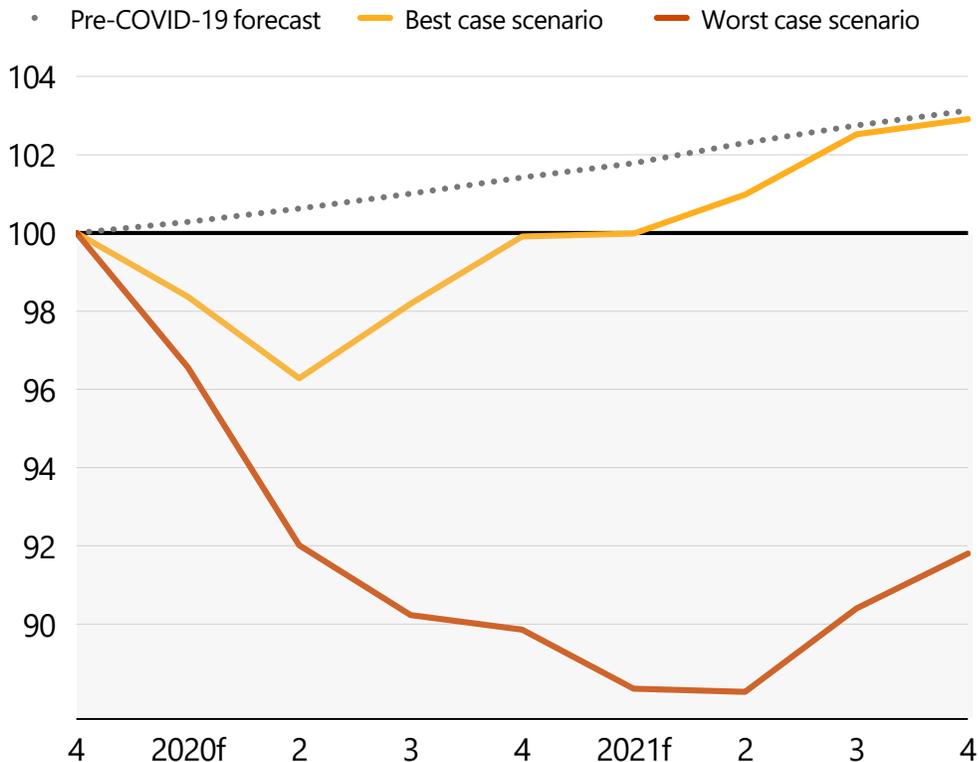
1. COVID-19 impact

A "bow wave" of additional debt problems

COVID-19 will force the Netherlands into recession in 2020, possibly continuing in 2021

Expected GDP NL^(1, 2) (index, Q4 2019 = 100)

f = forecast



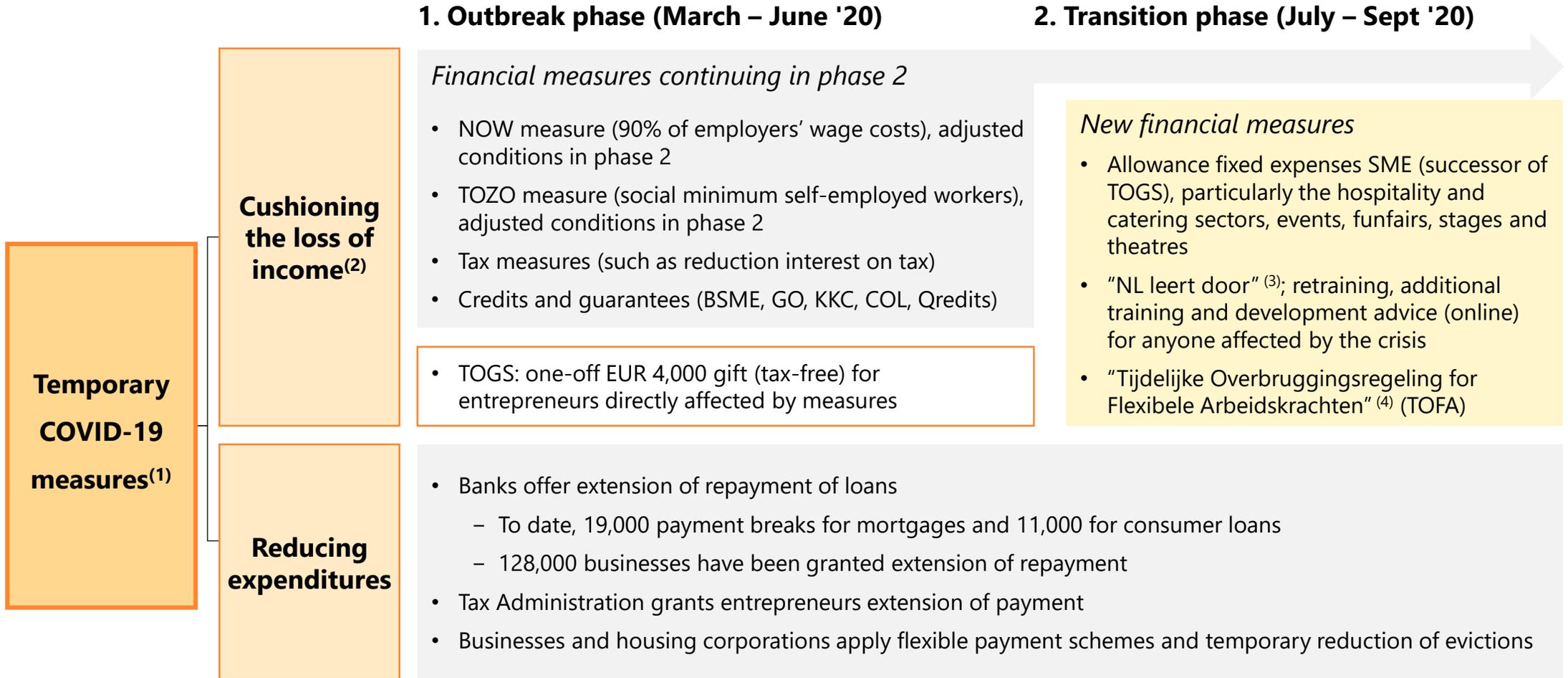
- The exact impact of COVID-19 on the economy is still **shrouded in uncertainty**.
- Nevertheless, all scenarios presented so far assume that a **recession will occur** in the Netherlands in 2020, which will either recover or continue in 2021.
- This economic downturn is the result of:
 - The “one-and-a-half-meter society”, which will cause **consumption and production to fall**
 - **International trade dropping** by some 10-16% in 2020⁽³⁾
 - **Reduced confidence** among households and businesses

(1) Based on CPB scenario 1 (“best case”) and scenario 4 (“worst case”), respectively, as presented in March 2020; (2) Recent DNB forecast of June 2020 is based on different figures, but comparable scenarios;

(3) Based on European Commission forecast of 27 May 2020, WTO prediction of early April lies at 13-32% in 2020.

Sources: CPB Scenarios 2020; WTO; EC

Measures have been taken to temporarily cushion its impact

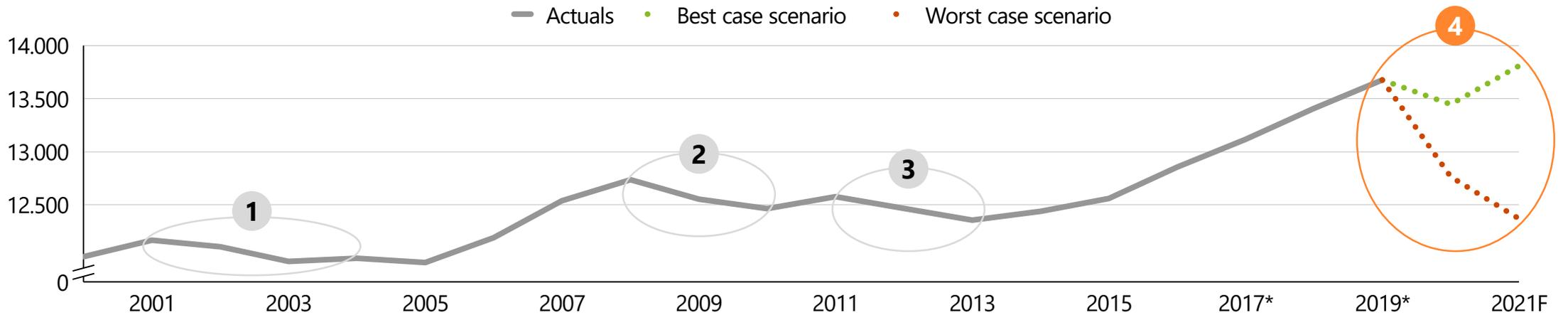


(1) This is an outline of the government's COVID-19 measures; (2) Certain sectors receive additional government support (3) "The Netherlands continues to learn" – educational programme (4) Temporary Bridging Scheme for Flexible Workers

Sources: National Government; CPB

However, COVID-19 is still expected to cause employment to drop - potentially a historically strong drop

Employment number of hours (2000 – 2021f, mio)



- 1** The **dot-com crisis** led to a -1.4% drop in employment in the period of 2001-2004
- 2** The 2008 **credit crisis** resulted in a -2.1% drop in employment in the period of 2008-2010 – a lower drop than initially expected
- 3** 2011 saw a **second drop in employment**, -1.8% in the period of 2011-2013
- 4** The **COVID-19 crisis** possibly results in a -1.4% to -6.4% drop in employment in 2020 and another -3.1%⁽¹⁾ drop in 2021, in the worst case scenario
 - This is a **historically rapid drop in employment**
 - Unlike previous recessions, the contact limitation **directly** affects the **labour market**

* Preliminary figures. (1) Based on CPB scenario 1 ("best case") and scenario 4 ("worst case").
Sources: CPB Scenarios as presented in March 2020; CBS.

Indications of economic hardship can already be seen in the Netherlands

Gross domestic product (GDP)	↓	-1.7%	Q1 '20 vs Q4 '19	<ul style="list-style-type: none"> • Largest shrinkage since Q1 2009, when GDP dropped by -3.6% • Mostly caused by historic drop of domestic consumption by -6.7% in April '20 compared with March '20
Unemployment	↑	+17.2%	Apr '20 vs Mar '20	<ul style="list-style-type: none"> • Total number of unemployed persons 314,000 (3.4%) in April '20
Unemployment benefits	↑	+16.7%	Apr '20 vs Mar '20	<ul style="list-style-type: none"> • Total 292,000 benefits (+16.7%), of which 74,000 new benefits in April • Largest increase in the cleaning sector, temporary employment agencies, retail, culture, hospitality and catering
Welfare benefits	↑	+12.7%	Apr '20 vs Mar '20	<ul style="list-style-type: none"> • In Mar '20 the number of applications for social assistance had already risen by 56% compared with feb '20 • The social assistance inflow is particularly high in the age category of up to 35 years
Benefits for living expenses ZZP⁽¹⁾	↑	343k	n.v.t.	<ul style="list-style-type: none"> • ~343,000 applications for benefits for living expenses of self-employed workers through 29 April '20 according to an estimate by the Ministry of SZW
Liquidations	→	+1.2%	May '20 vs May '19	<ul style="list-style-type: none"> • Increase may be higher due to ongoing liquidations processes (takes several weeks)

(1) Mostly regards benefits as part of the new Temporary Support measure for Self-Employed Persons ("TOZO"); a part has been registered under the general Social Assistance (Self-Employed Persons) Decree.
Sources: UWV; Ministry of SZW; Divosa; CBS

Especially people in culture, sports and recreation, hospitality, transport, rental, (professional) services, and trade are affected

Expected impact on employment* 2020

1. Culture, sports and recreation 2. Hospitality	Very large shrinkage
3. Transport and storage ⁽¹⁾ 4. Rental and other professional services ⁽²⁾ 5. Other services ⁽³⁾ 6. Trade	Large shrinkage
7. Manufacturing 8. Agriculture, forestry and fishing 9. Construction industry 10. Specialistic professional services ⁽⁴⁾	Average shrinkage
11. Real estate 12. Financial services 13. Education 14. Information and communication 15. Energy supply 16. Water companies and waste management 17. Extraterritorial organisations	No / small shrinkage
18. Health and welfare care 19. Public administration and government	Growth

Initial sectoral indicators 2020

Increase Unemployment benefits (April compared with March '20)

1. Cleaning industry	+91%
2. Temporary employment agencies	+87%
3. Retail	+69%
4. Culture	+67%
5. Hospitality and catering	+60%

Av. revenue loss reported NOW (reference date 3 June '20)

1. Hospitality and catering	-81%
2. Culture	-78%
3. Health care and welfare**	-75%
4. Retail	-74%
5. Commercial services	-61%

Number of liquidations excl. one-man businesses (April '20)

1. Trade	84
2. Financial institutions	40
3. Specialist professional services	40
4. Hospitality	31
5. Rental and other professional	26

*Based on estimate UWV, classified into SBI 2008 industries, and some aspects have been reassessed based on data of Rabobank and DNB. ** Because it is temporarily impossible to provide certain types of care.

(1) Particularly in aviation and inland shipping; (2) Regards, amongst others, temporary employment agencies and travel agencies; (3) Regards, amongst others, personal services (hair dressers, nail salons); (4) Regards, amongst others, advertising agencies, architects, and audit firms.

Sources: UWV; Rabobank; DNB; Deloitte analysis

People with a flexible form of employment, low-skilled people, the under 35s, and over 55s are vulnerable workforce groups

Vulnerable workforce groups

Self-employed workers	<ul style="list-style-type: none"> Limited job security; part of the "temporary workforce" of businesses No accrual of unemployment benefit entitlement, rapidly falling back on social assistance
Flex workers	<ul style="list-style-type: none"> Limited job security; part of the "temporary workforce" of businesses Limited accrual of unemployment benefit entitlement, limited personal safety net⁽¹⁾, rapidly falling back on social assistance
Low-skilled people	<ul style="list-style-type: none"> Financial self-reliance among low-skilled people is relatively less substantial
<35 years	<ul style="list-style-type: none"> No or less unemployment benefit entitlement accrued, more rapidly falling back on social assistance
>55 years	<ul style="list-style-type: none"> If fired, over 55s find it more difficult to find another job (at their level) Relatively more unemployment benefit entitlement accrued

(1) Rabobank survey of April 2020 among 12,000 customers between the ages of 20 and 45 years.

These groups are over-represented in the 10 high-risk sectors, but with large differences between subgroups

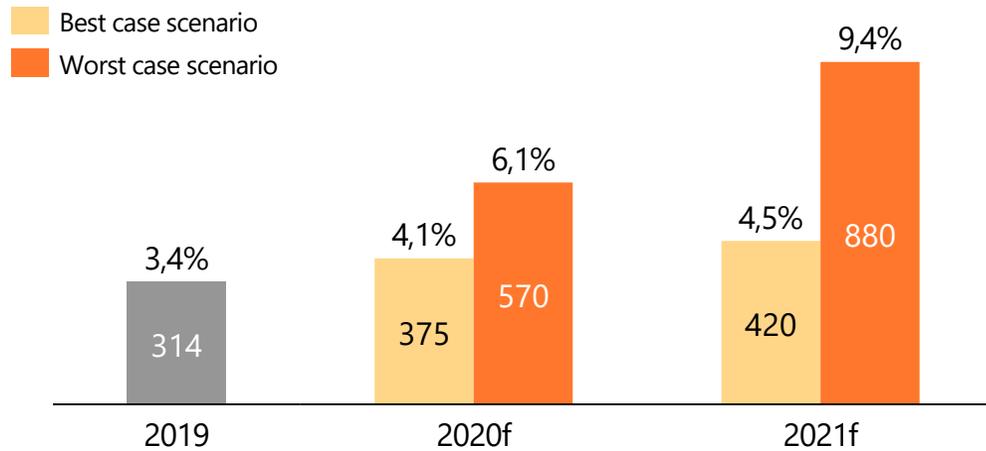
 = Over-representation

Cross-section	Over-representation of risk groups	Working population		Age		Education level		Type of work	
		Number (k)	Share	<35	>55	Low	High	Flex	Self-empl.
Total the Netherlands		8.774	100%	36%	20%	20%	38%	27%	17%
10 risk sectors⁽¹⁾	<ul style="list-style-type: none"> • Under 35s • Low-skilled people • Flex workers and self-employed workers 	5.029	61%	39%	19%	27%	28%	31%	20%
Subgroup A Hospitality, trade, rental and other professional	<ul style="list-style-type: none"> • Under 35s • Low-skilled people • Flex workers 	2.177	27%	51%	14%	34%	19%	41%	14%
Subgroup B Manufacturing, transport and storage	<ul style="list-style-type: none"> • Over 55s • Low-skilled people 	1.249	15%	28%	24%	28%	24%	22%	8%
Subgroup C Culture (et al) and specialistic professional services	<ul style="list-style-type: none"> • Self-employed workers 	843	10%	34%	21%	8%	62%	24%	39%
Subgroup D Construction, agriculture (et al) and other services	<ul style="list-style-type: none"> • Over 55s • Low-skilled people • Self-employed workers 	760	9%	29%	23%	28%	19%	24%	38%

(1) Also see slide 8, based on estimate UWV, classified into SBI 2008 industries, and some aspects have been reassessed based on data of Rabobank and DNB. Sources: CBS; Deloitte analysis

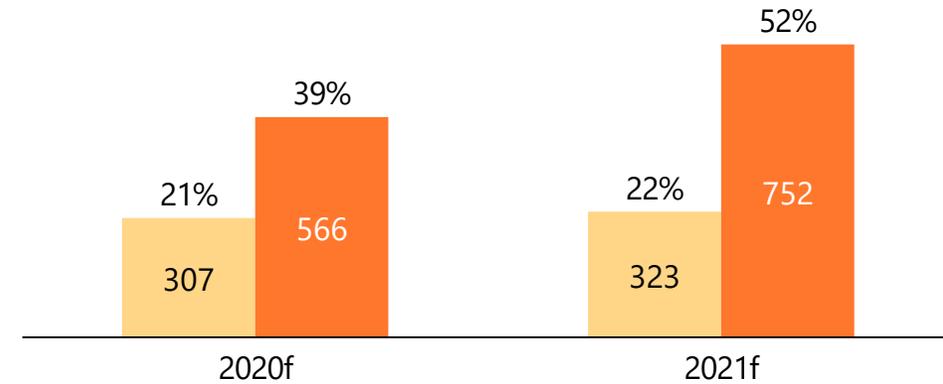
Some 368 - 822 thousand people are expected to experience a significant and prolonged loss of income in 2020

Growth unemployment NL
('20f – '21forecast, '000, % of labour force)



- 2020 is expected to show an **increase in unemployment by some 61 thousand up to 256 thousand people** compared with 2019
- **In 2021, this will increase by another 45 up to 310 thousand people** compared with 2020

Cum. self-employed workers with loss of income⁽¹⁾ NL
('20f – '21f, '000, % of total self-employed workers)

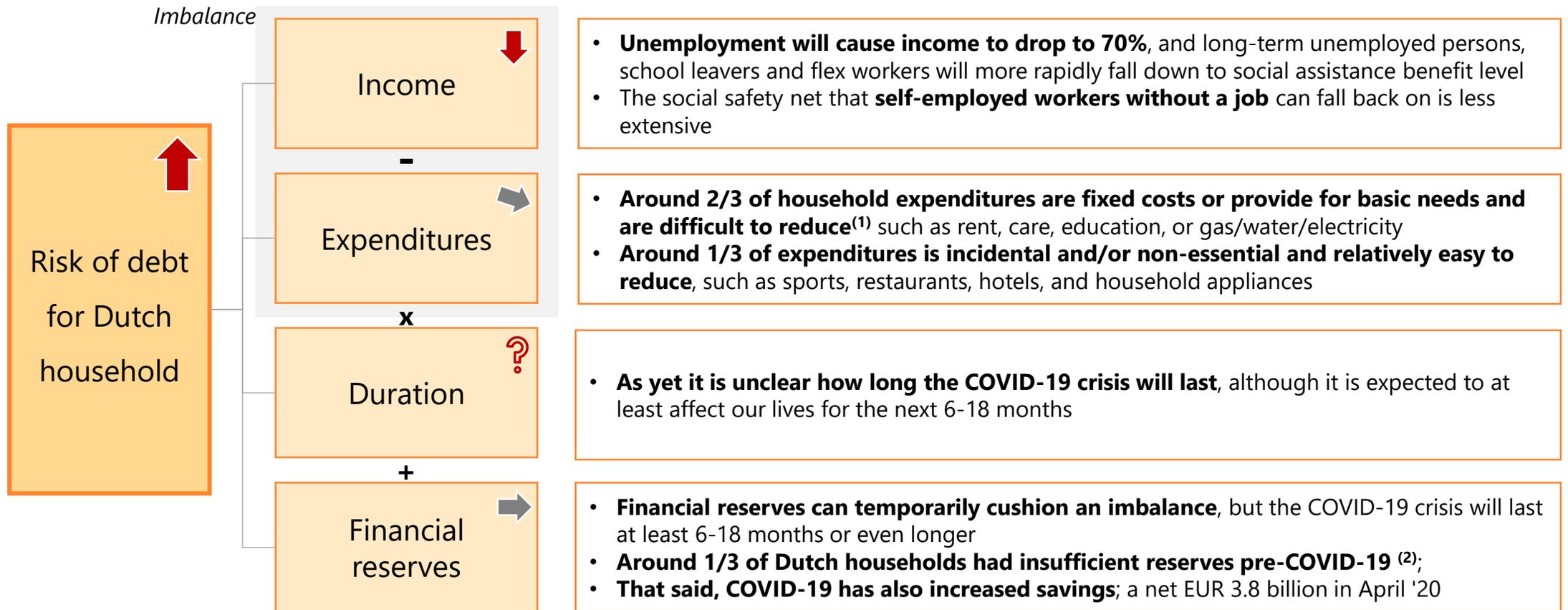


- **In 2020**, 21-39% of self-employed workers are expected to experience a long-term, significant loss of income, i.e., **307 up to 566 thousand people**
- **In 2021**, this is expected to increase by **another 16 up to 186 thousand people** compared with 2020

(1) Based on expected impact on number of self-employed workers with >30% loss of income for >3 months per SBI industry/branch.
Sources: CPB Scenarios 2020; CBS; Rabobank; UWV; DNB; Deloitte analysis

Because expenditures cannot drop proportionally for all and buffers are insufficient, the risk of household debt will increase

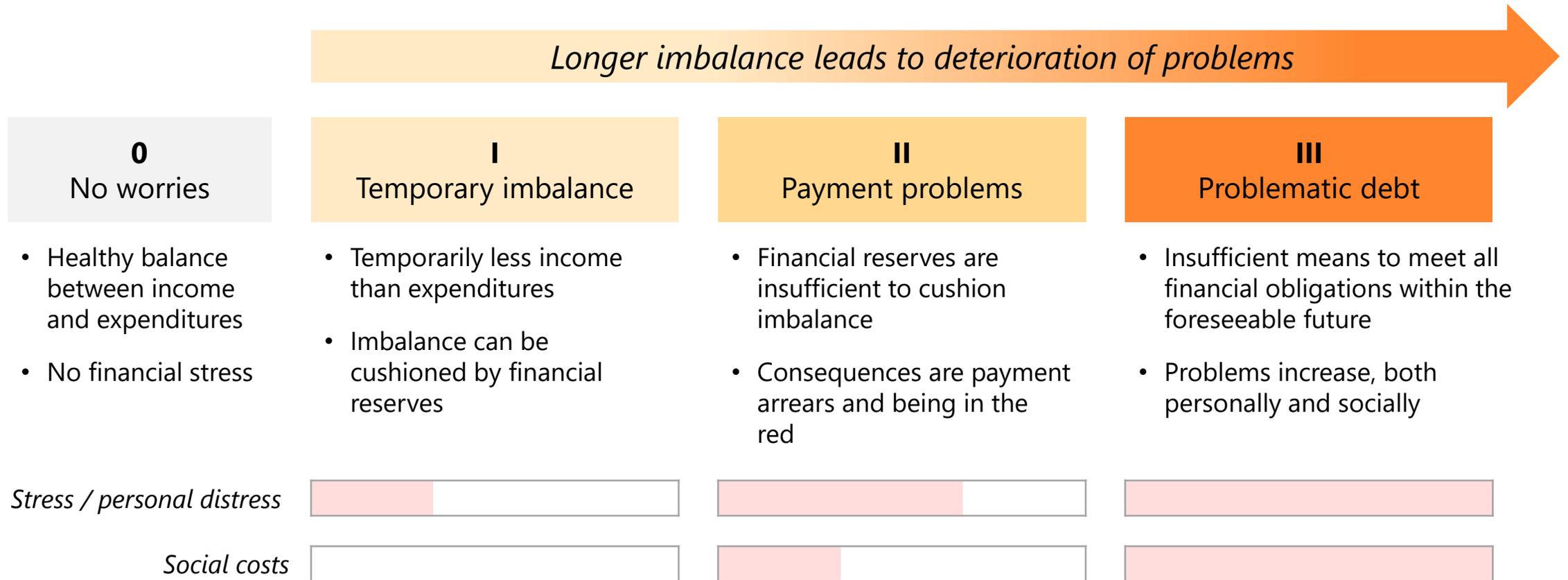
Causes of COVID-19 induced higher risk of debt



(1) CBS expenditure categories 1, 4, 7, 10, 12, and 13; (2) Around 2,7m of the 7,7m households do not have enough financial means for the Nibud-advised buffer of between EUR 3,400 – 5,200 - depending on the composition of the household. Sources: CBS; Nibud; Deloitte analysis

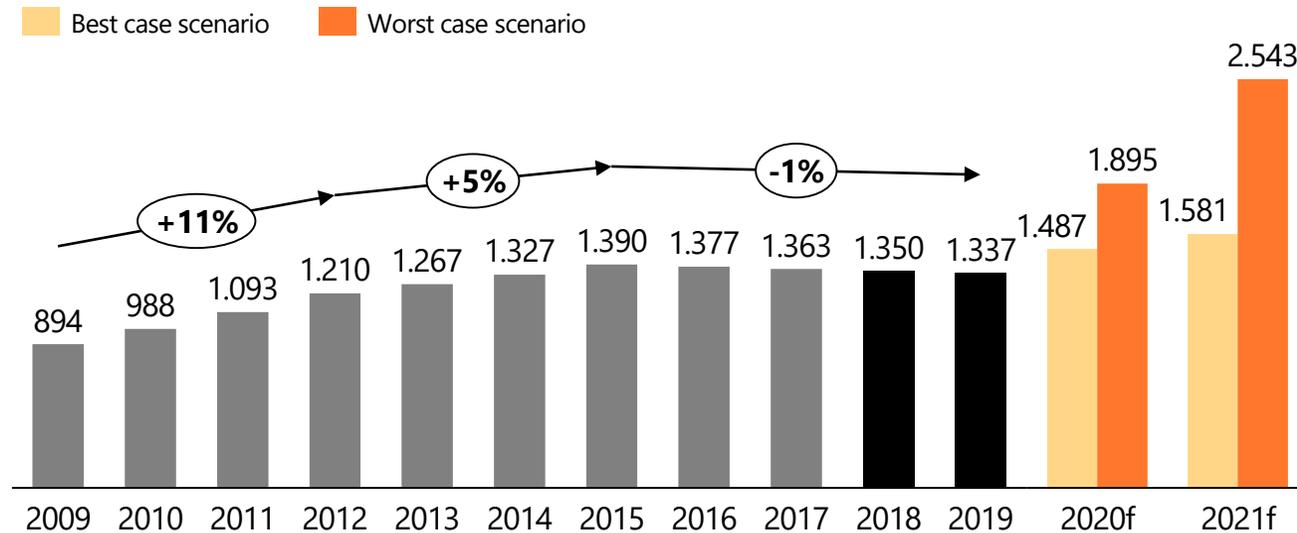
Any lasting imbalance between income and expenditures can ultimately lead to problematic debts

Levels of debt problems



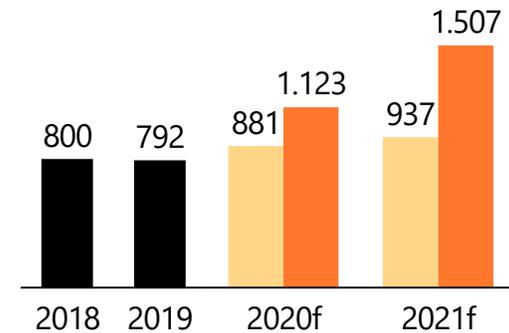
COVID-19 will push up the number of households with debt to between 1.5 and 2.6 million in 2021, 41% of which problematic

Total households with debt NL⁽¹⁾ (2018 – 2021f, '000)

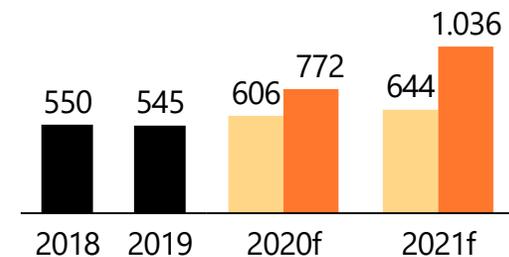


- The forecasts are based on the ratio between increase of unemployment and increase of households with debt⁽²⁾ during the 2009 – 2012 crisis years
- Based on both this historic ratio and the CPB's unemployment forecasts, a best and a worst case scenario for households with debt in NL has been estimated for 2020 and 2021

of which 59% starting



of which 41% problematic



(1) Estimate 2010 and 2011 based on CAGR '09-'12, 2013 and 2014 based on CAGR '12-'15, 2016 and 2017 and 2019 based on CAGR '15-'18; (2) Correlation coefficient 0.87 between unemployment and households with debt in period 2009 – 2012.

And the composition of the population of indebted households will slightly change

Persons currently applying for debt relief in NL



66% has minimum wage or lower, and 52% depends on benefits



71% is single



89% is not a homeowner



64% is part a "special target group" such as being slightly mentally impaired, semi-literate, or having mental healthcare issues

Impact COVID-19

- **Already familiar vulnerable groups will be hit harder** and face deeper financial problems
- Relatively **many self-employed workers will be hit**; a mixed group with low- and high-skilled workers
- Relatively **many flex workers, under 35s, and school leavers** will be hit; and to a lesser extent this group can fall back on unemployment benefit entitlement
- A group of **over 55s** will be added who will have a hard time finding a new job after being fired
- Finally, if **long-term debt problems persist**, relatively self-reliant people **risk showing more** features of the current population

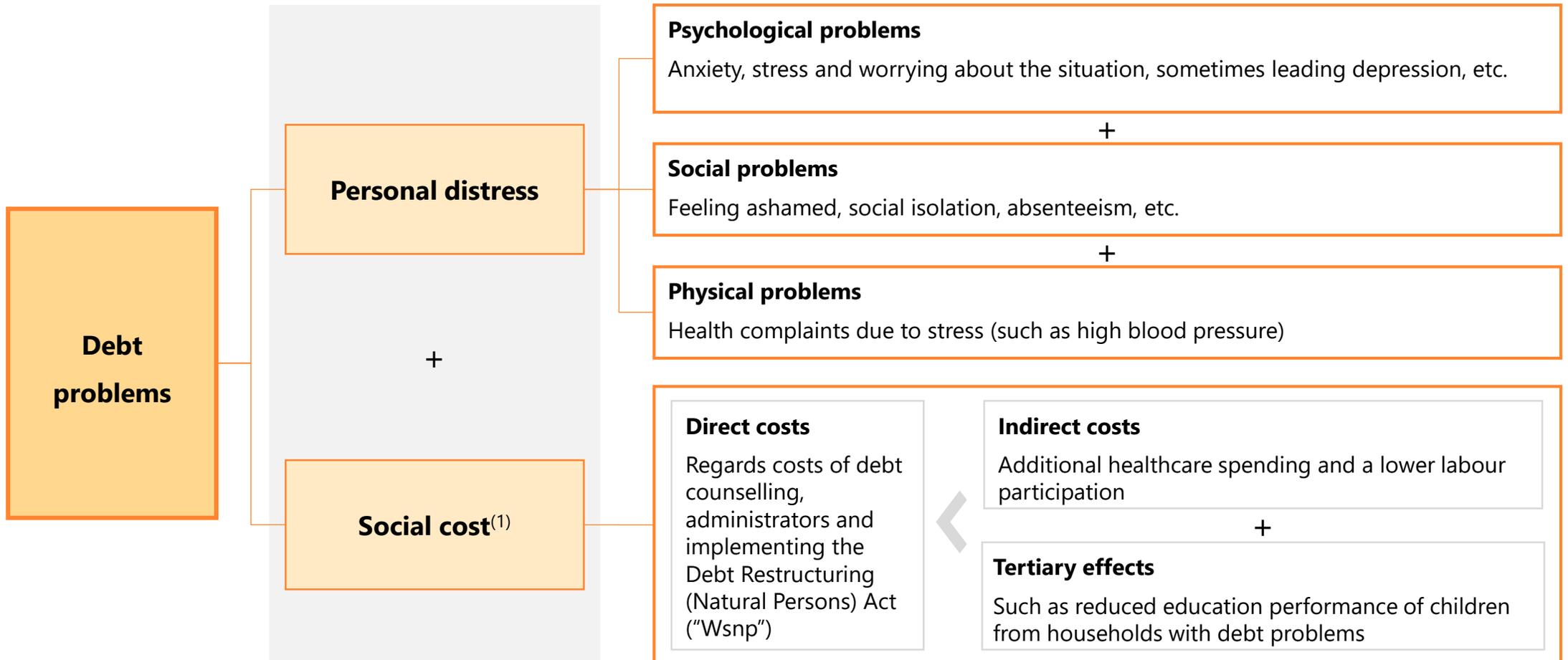
* During the last crisis between 2009 and 2013, too, the composition of households susceptible to problematic debt changed, i.e., higher education level, higher income, more homeowners, and more young people.
Sources: Ministry of Social Affairs; CBS; Municipality of Amsterdam; NVVK; Deloitte analysis

2. Current system

Right now, in the Netherlands we are insufficiently prepared to turn the tide

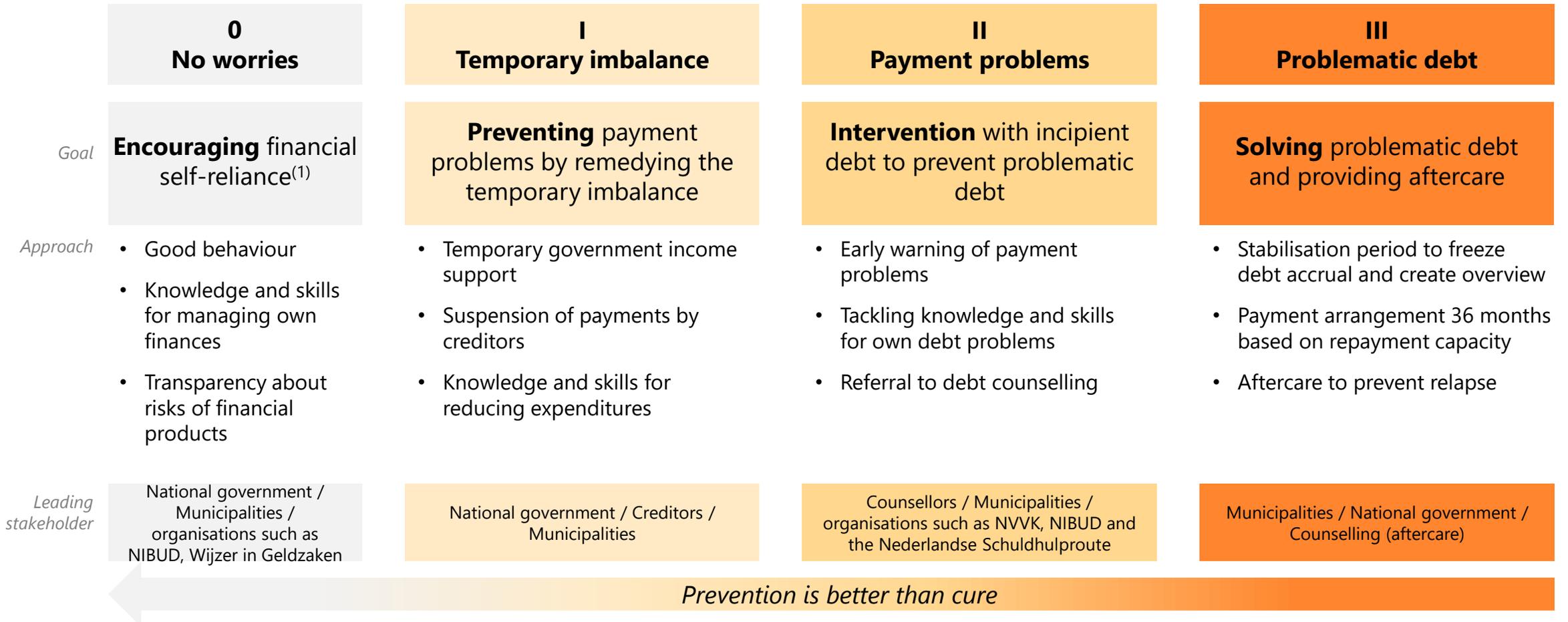


Problematic debts lead to personal distress, but also to direct and indirect social costs



(1) Mr Fransman of De Argumentenfabriek has estimated the total social cost at 17 billion, of which 1 billion for implementation, 8 billion for extra benefits, and 6 billion of missed economic growth due to absenteeism. Sources: ESB; Nibud

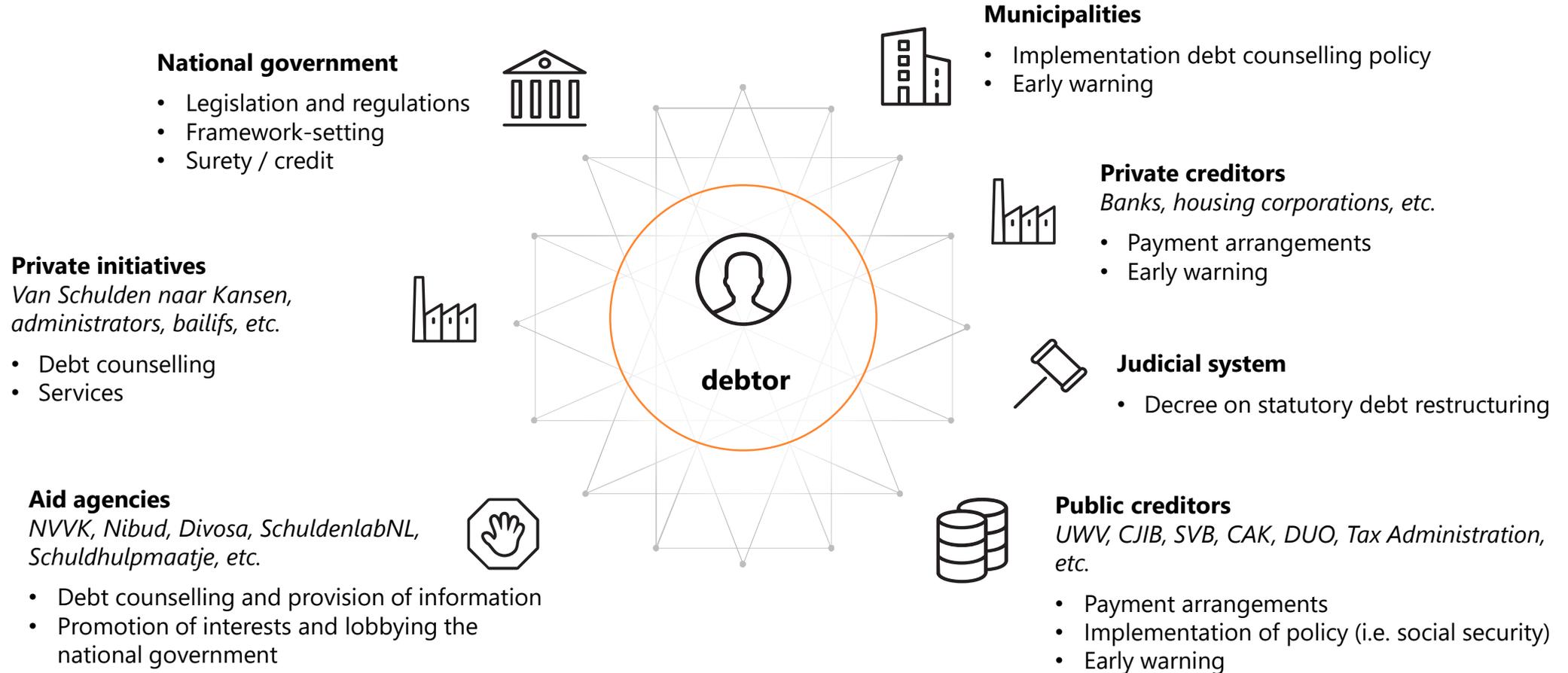
Debt counselling in the Netherlands focuses on all phases of payment and debt problems



(1) According to the Nibud, someone is financially self-reliant if that person " makes well-considered choices such that their finances are balanced in both the short and long term".

Many parties and initiatives are involved in solving debt problems

Selection of debt counselling parties and roles



However, even before COVID-19 the debt counselling chain faced significant challenges

Structural debt counselling challenges NL



Too late to reach

- **Debt counselling fails to reach large groups of people:**
 - 70% of households with payment or debt problems are "invisible"
 - It takes years before people come forward
 - Debt settlement for flex workers and self-employed workers is more difficult to arrange



Slow to decide

- **A decision on debt settlement involves a great deal of time and stress**
 - Debt counselling often focuses on changing behaviour instead of reducing debt
 - The preparatory process for a decision can take a long time and differs per municipality



Slow to solve

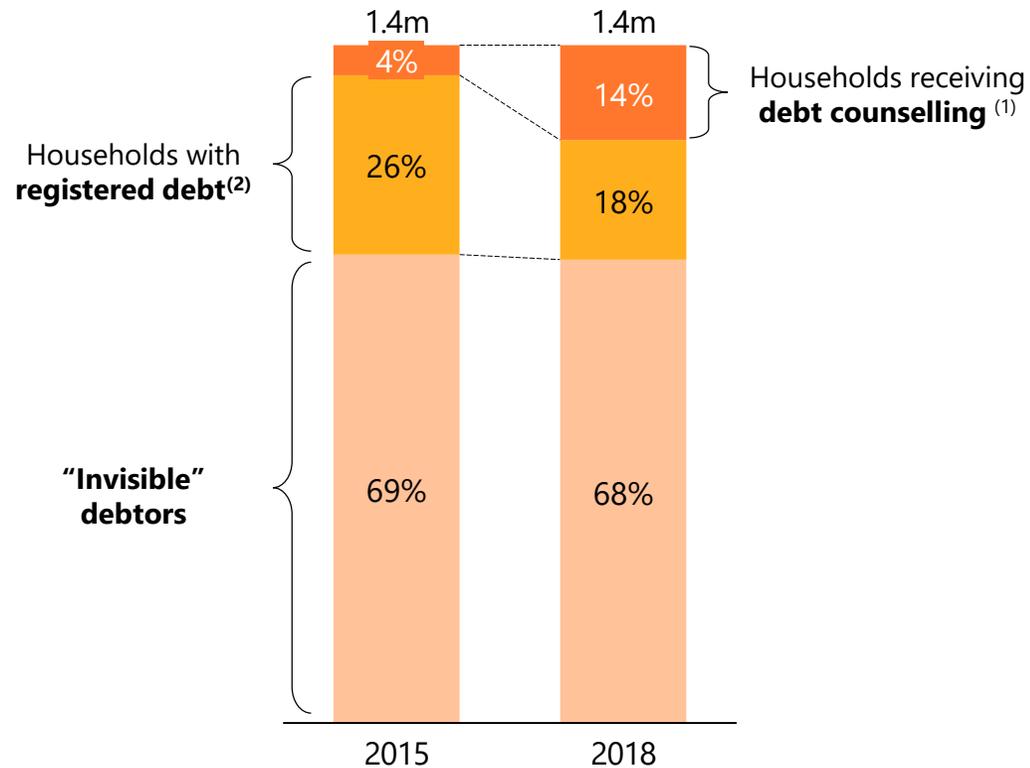
- **Great deal of time and stress before "debt free" statement:**
 - Only one-third of debt counselling applications leads to debt settlement
 - If a debt settlement is agreed, it often takes 36 months before someone is "debt free"

- **Fragmentation in the debt counselling chain and different approaches between municipalities and private parties;** this makes it difficult to collaborate, measure effectiveness, and scale initiatives, while efforts overlap

- **Lack of (reliable) figures** about different target groups and the effectiveness of the different debt counselling components and debt counselling methods

Nearly 70% of all households with payment or debt problems in the Netherlands are “invisible”

Households with payment and debt problems NL ('15, '18)



- **Nearly 70%** of all households with payment or debt problems in the Netherlands is **“invisible”**
- **Only 14%** of all debtors **seek counselling**; in 2018, a total of 193k received counselling
- If debtors do not seek counselling, generally this is because they:
 - Are **afraid** of the restructuring process (losing everything)
 - Find the counselling process **complicated**
 - Are **not aware** that they need help
 - Are **ashamed** of being in debt

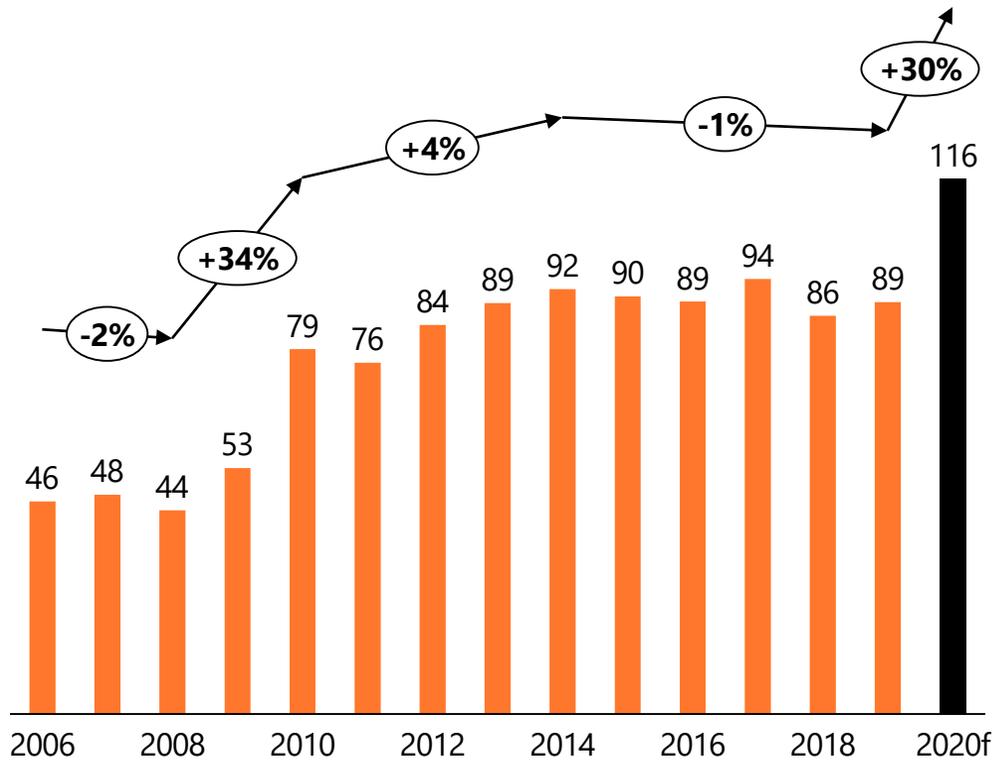
So, it is difficult for both local and national government and institutions to timely address debt problems

(1) As registered with the NVVK and Wsnp; (2) Households with registered medical insurance debt, CJIB, tax assessments, tax allowances, Wsnp, NVVK, estimate for both 2015 and 2018 based on a percentage of total households in 2015 (5,6%) provided by CBS.

Sources: CBS; Nibud; Schuldhulpmaatje (2018); Deloitte analysis

On average, people only apply for help after 5 years, and then the problems are already huge

Requests for NVVK debt counselling (‘06 - ‘20f, ‘000, %-CAGR)



- In the previous crisis period **between 2008 and 2013** the **number of applications** for debt counselling filed with the NVVK **doubled**
- This **number hardly decreased** between **2013 and 2019**, possibly because more people seek debt counselling
- People with payment problems wait on **average 5 years before they get help⁽¹⁾**
- On average, they already have **13 creditors** by then
- And the **average debt amount⁽²⁾** has added up to **€ 43,300:**
 - Private persons only: € 39.029
 - Entrepreneurs only: € 107.186
- In 2020, an increase of at least 30% in the number of counselling requests is expected

(1) As presented in the Dutch language article on limited accessibility of debt counselling entitled "Veel schuldenaren weten schuldhulp slecht te vinden", Nibud in ESB 2019; (2) Based on 2019 NVVK figures.
Sources: NVVK; Nibud

Payment arrangements are only made for 32% of persons registered for debt counselling

Debt counselling chain (estimate 2018, %, absolute)



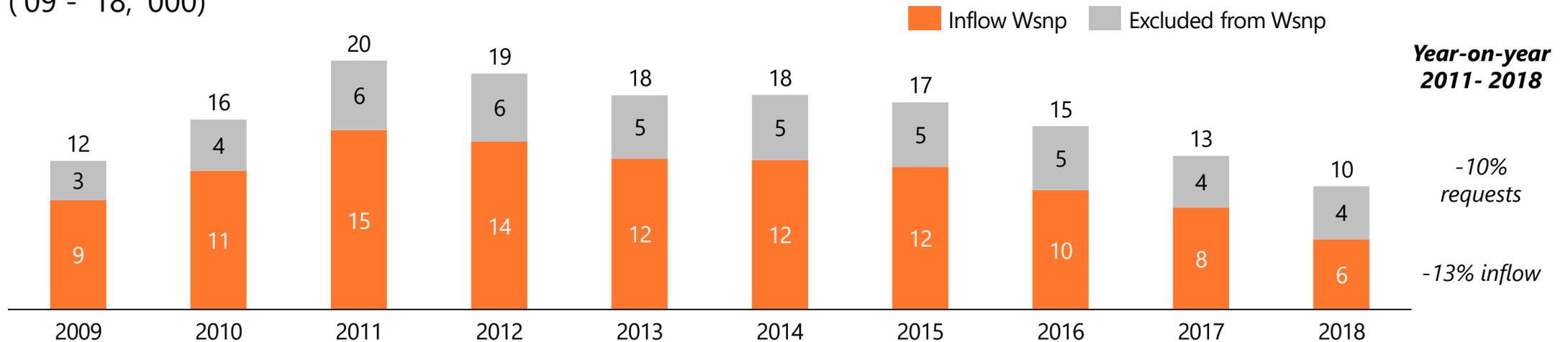
- **25%** of requests for debt counselling **result in a repayment arrangement** and **7% in a statutory arrangement**
- **5%** of requests for debt counselling result in **rejection of repayment and statutory arrangement**
- The outcome of the other **63% is not exactly clear**. There are four possibilities:
 - Rejection of debt counselling or arrangement
 - ✗ Debtor opts out of the scheme
 - ✗ Outflow to administration
 - ✗ Debt problem successfully solved without repayment arrangement
 - ✓

Msnp = arrangement for natural persons based on mediation, Wsnp = statutory arrangement for natural persons based on court decision.
Sources: Nibud; Wsnp; NVVK; Deloitte analysis

And the inflow of statutory debt restructuring has been decreasing since 2011

Request and allowances under Wsnp NL

('09 - '18, '000)



- The **decrease in Wsnp cases does not correspond** with the development of the number of persons with debt problems⁽¹⁾
- The national ombudsman argues that the **outflow of cases to the statutory scheme often stagnates**, because of:
 - Exclusion criteria in the municipal procedure
 - Bad information about the possibilities of the Wsnp
 - Exclusion for 10 years for people with a so-called fraud debt at the Employee Insurance Agency UWV, the Social Insurance Bank SVB or municipalities
- In 2018, **92.5% of Wsnp cases** was ended with a clean slate or an **otherwise positive conclusion**⁽²⁾

* Totals do not add up due to rounding differences. (1) In 2013, 89,000 people with a request for debt counselling from an NVVK member came forward; in 2018 there were 85,000 - or a year-on-year decrease of only 4%; (2) Concerns payment of all debts, resumption of payments, a Wsnp arrangement, or clean slate (15th measurement over 2018). Sources: Bureau Wsnp; Trouw; Deloitte analysis

COVID-19 now intensifies two already existing challenges for debt assistance in the Netherlands

Challenges

Sub-challenge

Challenge 1

How do we ensure that people do not slide from a (temporary) imbalance to debt problems because of COVID-19?



How do we rapidly get in touch with target groups with incipient debt problems due to Covid-19?



Which solutions can we offer to new vulnerable groups such as flex workers, young people, and self-employed workers?

Challenge 2

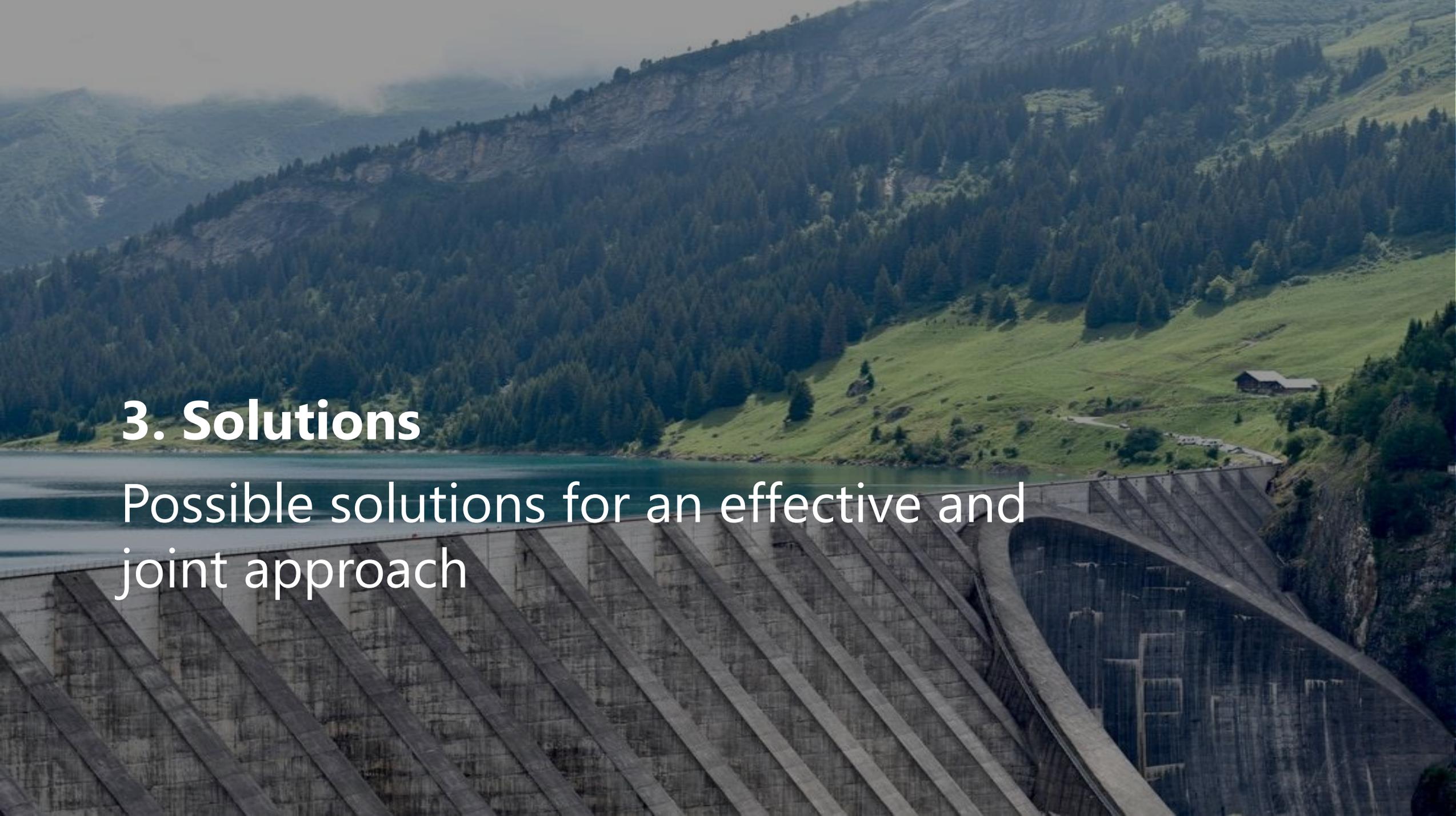
How do we ensure that people with problematic debts are quickly relieved of their debt problems?



How can we speed up the decision-making around debt counselling?



How can we speed up the flow through and successful outflow to stress free?

A large concrete dam with a reservoir in the foreground and a forested mountain in the background. The dam is a gravity dam with a series of buttresses. The reservoir is a deep blue-green color. The background shows a steep, forested mountain with a small wooden cabin on a grassy slope.

3. Solutions

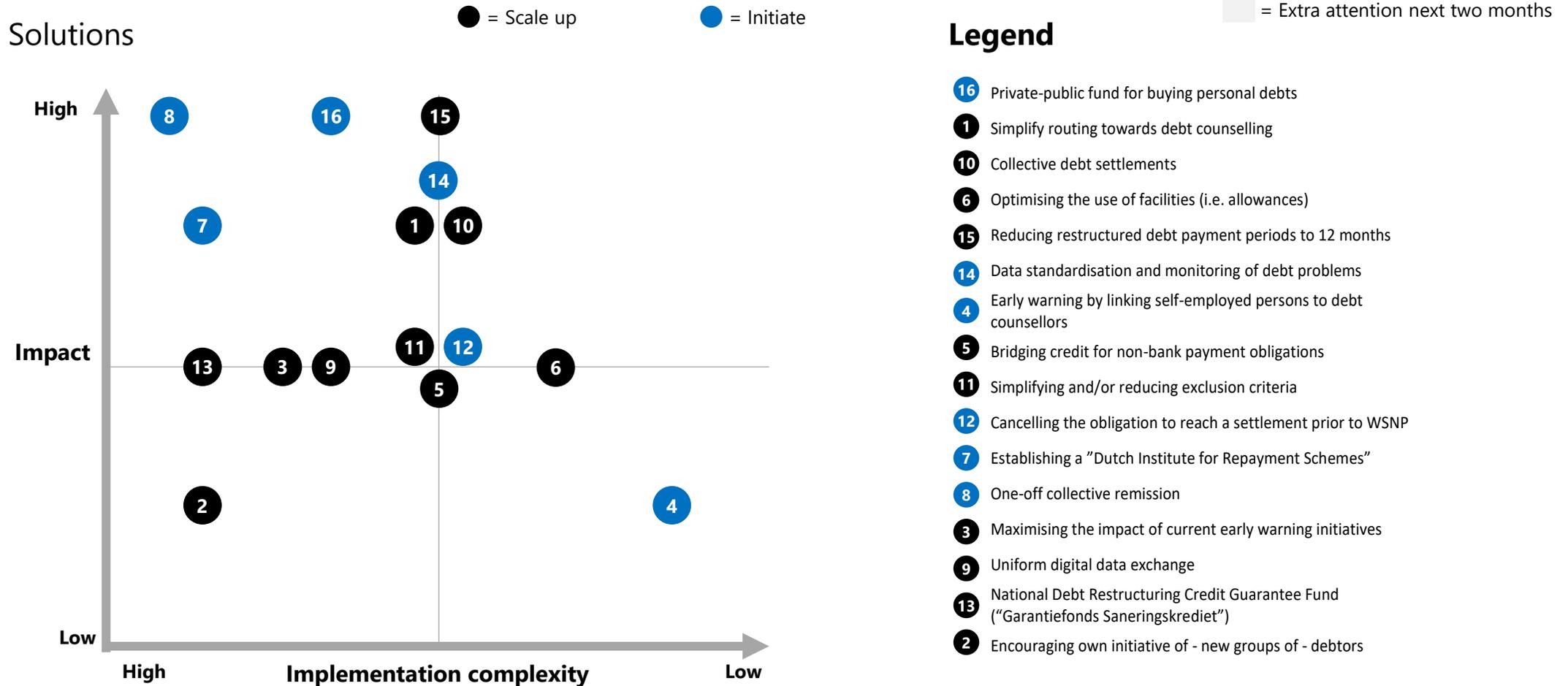
Possible solutions for an effective and joint approach

As a basis for dialogue and action, in consultation with stakeholders a long list of solutions has been collected

Notes to solutions

Not exhaustive	The solutions described are not exhaustive, the emphasis is on the bow wave and on solutions that can be influenced by the parties involved.
Input	Input has been gathered from conversations with NIBUD, NVVK, VNG, NVB, SZW, Wijzer in Geldzaken, Manifestgroep and other organisations in the period from 15 May up to 10 June 2020
Existing and new	Solutions may include scaling up and accelerating existing initiatives and developing new ones
Actionable	The solutions in this action plan are as actionable as possible; this fits the nature, scope and urgency of the challenge we face
After 16 June	For a number of the solutions and embedding processes already underway, further detailing, a feasibility test and starting the operational process (who, what, when) will start after 16 June 2020

Sixteen solutions have now been identified; both scaling up existing initiatives and initiating new ones



(1) Based on, i.a., scope, impact on "debt stress free NL" mission, complexity, and time to realisation of impact
Source: Deloitte analysis

In the coming months we will join efforts to take additional steps

Ambition: Netherlands free of debt stress, *despite* the COVID-19 impact



Quick help

- 1 Scaling up **Dutch debt support procedure** (Nederlandse Schuldhulproute) or existing and new target groups with payment problems
- Speeding up the **De VoorzieningenWijzer** initiative for vulnerable groups with a drop in income due to COVID-19
- 6



Social solution

- 14 Address **data standardisation** and **(dashboard) monitoring** of debt problems among different target groups and the effectiveness of interventions
- Preparation of a business case and implementation plan for a
- 16 **private-public fund for buying personal debts**



Short programme

- 10 Scaling up **collective debt measures** through agreements with creditors and standardisation of the approach to debt files
- 15 Exploring the possibility of and support for **reducing the repayment period** of a **debt restructuring** programme from 36 to 12 months.

And we try to focus on all stages of debt issues

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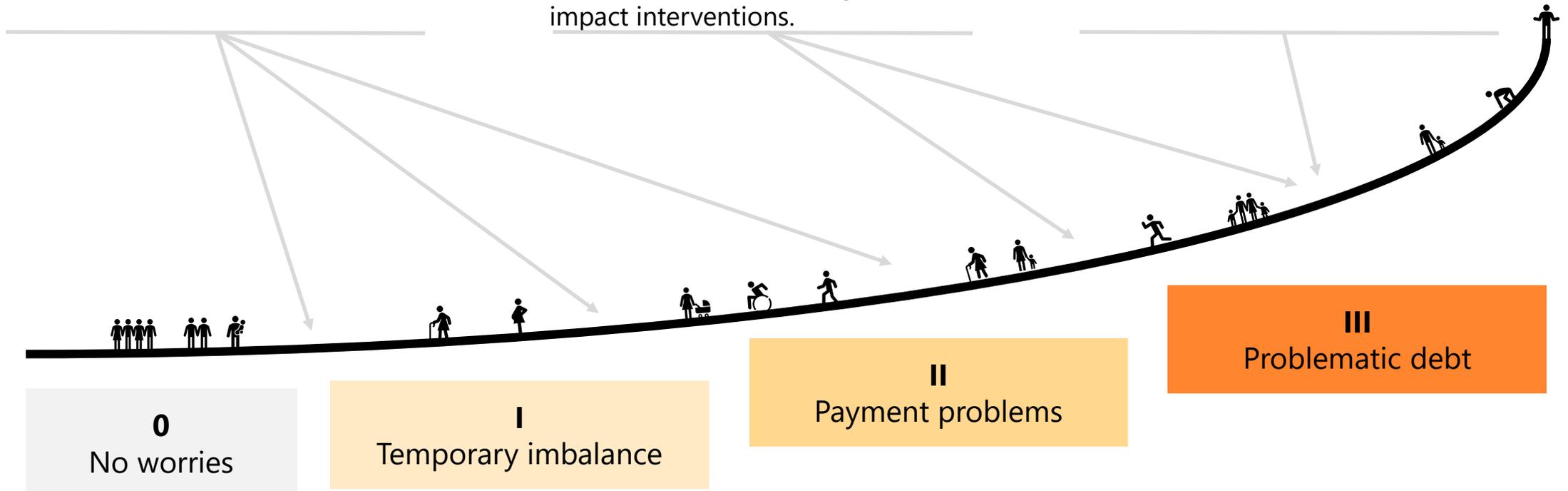
Tracing persons with (potential) **payment or debt issues faster and helping** them by improving the route to counselling and optimising the use of facilities.

14 16

Solving payment problems and debts quickly and socially and preventing them from getting worse through a private-public fund for buying up personal debt, monitoring problems, and impact interventions.

10 15

Faster process and outflow from restructuring process through collective settlement of debt files and reduction of repayment period from 36 to 12 months



A large concrete dam with a spillway, situated in a mountainous landscape with a lake and forested hills. The dam is the central focus, with a spillway on the right side. The background features a lake, a forested hillside, and a small building. The sky is overcast.

Appendix

Summary of solutions



Timely reaching new target groups through improved early warning, mobilisation, and directions for counselling

	Solution path	Problem	Target group	Stakeholders	Initiatives	Action
1	Facilitate directions for debt counselling for people with incipient debts to address problems in a timely manner	Uncertainty about where to turn for assistance, especially for new debtors who are unfamiliar with assistance.	New debtors	<ul style="list-style-type: none"> • Municipalities • Private Creditors (banks) • NVVK, NIBUD • Wijzer in Geldzaken 	<ul style="list-style-type: none"> • Schuldhulproute NL 	<p>Scale up</p>
2	Encourage own initiative of (new groups of) debtors by mobilising their environment and extra information.	Barriers for new debtors to seek help; such as fear, ignorance, or shame	New debtors	<ul style="list-style-type: none"> • Municipalities • Banks • Insurers • MinSA&E 	<ul style="list-style-type: none"> • Geldfit.nl/process Aegon • Kom uit je schuld • 115-schulden-te-lijf • Jongeren Persp. Fonds 	
3	Maximize impact of early warning initiatives to address problems in a timely manner	Early warning initiatives are still fragmented	New debtors	<ul style="list-style-type: none"> • Municipalities • Private Creditors • Nibud, NVVK 	<ul style="list-style-type: none"> • Early Warning Guidance (Leidraad Vroeg-signalering, NVVK) • Early Warning Covenant • Schuldhulproute NL 	<p>Initiate</p>
4	Early warning by linking self-employed persons to debt counselling if registered for a temporary measure such as the TOZO	Self-employed people are not yet familiar with the route to debt counselling	Self-employed people	<ul style="list-style-type: none"> • Municipalities • MinSA&E 		



Rapid support for new groups through bridging credit, provisions, rapid payment arrangements, and remission

Solution path	Problem	Target group	Stakeholders	Initiatives	Action
5 Bridging loan for non-bank liabilities and debts guaranteed by the national guarantee fund	It is difficult for private individuals to obtain additional credit in order to be able to meet non-bank fixed payments such as rent and insurance.	People with temporary imbalance due to Covid-19 but with a prospect of work and income	<ul style="list-style-type: none"> • Central government • Municipalities 	<ul style="list-style-type: none"> • Existing Initiatives from banking community 	<p>Scale up</p>
6 Optimising the use of facilities (i.e. allowances) for people on low and flexible incomes, in particular flex workers, young people, and self-employed workers.	Lack of knowledge and/or barriers for people to apply for facilities	Flex workers, young people, and self-employed workers.	<ul style="list-style-type: none"> • Municipalities • Housing associations and welfare organisations 	<ul style="list-style-type: none"> • VoorzieningenWijzer 	
7 Establishment of a 'Dutch Institute for Repayment Schemes' in which public and private organisations make agreements about arrangements in the event of incipient payment arrears or debt.	Fragmentation in the approach to repayment schemes when it comes to incipient payment problems and new target groups such as young people, flex workers or self-employed persons.	Flex workers, young people, and self-employed workers.	<ul style="list-style-type: none"> • SchuldenLabNL • NIBUD • NVVK • Private and public Creditors 	<ul style="list-style-type: none"> • N.a. 	<p>Initiate</p>
8 One-off collective remission by nationwide purchase of (irrecoverable) debt created by COVID-19 situation of force majeure	Also by force majeure, COVID-19 gets a bow wave of people in payment problems, with the risk of accumulating problematic debt.	Flex workers, young people, and self-employed workers.	<ul style="list-style-type: none"> • Central government • Municipalities 	<ul style="list-style-type: none"> • N.a. 	



Faster decision-making through digital working, collective debt settlement, and simplified criteria

	Solution path	Problem	Target group	Stakeholders	Initiatives	Action
9	Uniform digital way of exchanging data for debt files between debt counsellors and creditors	Loss of time due to lack of standardization in communication and multiple portals / different communication media	<ul style="list-style-type: none"> • Creditors • Debt counsellors 	<ul style="list-style-type: none"> • NVVK, NVG • Creditors • Counsellors • IT suppliers 	<ul style="list-style-type: none"> • Digital junction for debts "Schuldenknooppunt" 	<p>Scale up</p>
10	Collective debt arrangements through agreements with creditors and standardization of approach	It takes months or sometimes years before all creditors agree to a debt restructuring proposal.	<ul style="list-style-type: none"> • All debtors 	<ul style="list-style-type: none"> • Municipalities • Creditors • NVVK • VNG • SchuldenLabNL 	<ul style="list-style-type: none"> • Collective Debt Settlement 	
11	Simplify and/or reduce the exclusion criteria so that more people are eligible for debt counselling services more quickly	Exclusion of debtors that benefit from debt counselling	<ul style="list-style-type: none"> • All debtors <i>outside</i> the program for debt counselling / settlement 	<ul style="list-style-type: none"> • Central government • Municipalities • NVVK • VNG 	<ul style="list-style-type: none"> • N.a. 	<p>Initiate</p>
12	Abolition of obligation to reach a settlement before being able to switch to a Wsnp	Exclusion and/or lengthy process of debtors benefiting from a Wsnp	<ul style="list-style-type: none"> • All debtors <i>outside</i> the program for counselling / settlement 	<ul style="list-style-type: none"> • Central government • VNG • Municipalities 	<ul style="list-style-type: none"> • N.a. 	



Improved insight into effectiveness of interventions, more and shorter restructuring, and early debt buy-back: debt-free quicker

	Solution path	Problem	Target group	Stakeholders	Initiatives	Action
13	National Restructuring Credit Guarantee Fund to encourage the use of more effective debt restructuring credit rather than debt mediation	Debt counselling is still used much more often than restructuring credit, in addition, restructuring credit is not an option for debtors in all municipalities.	<ul style="list-style-type: none"> All debtors 	<ul style="list-style-type: none"> Central government Municipalities NVVK Sociale Banken Nederland (SBN) 	<ul style="list-style-type: none"> NVVK petition LGS 	 Scale up
14	Standardization of data collection and monitoring to identify target groups and measure the effectiveness of interventions	Not enough is known about the effectiveness of aid interventions and the composition of different target groups of debtors.	<ul style="list-style-type: none"> Counsellors Polymakers 	<ul style="list-style-type: none"> Municipalities VNG Nibud SchuldenlabNL BKR 	<ul style="list-style-type: none"> N.a. 	
15	Reducing debt repayment period from 36 to 12 months to reduce period of worries and stress	The current programme <i>following</i> a decision on a repayment scheme will take another 36 months	<ul style="list-style-type: none"> All debtors 	<ul style="list-style-type: none"> Central government Municipalities NVVK Creditors 	<ul style="list-style-type: none"> N.a. 	 Initiate
16	Setting up a public-private fund for buying (incipient) personal debts	The longer debt problems last, the greater the personal suffering and social costs.	<ul style="list-style-type: none"> New debtors 	<ul style="list-style-type: none"> SchuldenLabNL Deloitte Private creditors 	<ul style="list-style-type: none"> N.a. 	



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