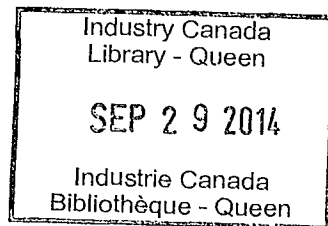


Counselling the Overindebted: A Comparative Perspective

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I. Introduction

Counselling for overindebted or insolvent individuals can take many forms. In this paper, the structure of debt counselling in several different national systems is reviewed. The goal is to place the Canadian system in an international context so that any reforms that might be considered in Canada can be informed by the experience of other countries. After this introduction, Section II presents an overview of the Canadian system and then briefly summarizes the major similarities and differences between North American and European debt counselling. Section III presents a rough typology of debt counselling organizations, dividing them into process-oriented, rights-based and educational groups. Section IV looks in some detail at debt counselling systems in Germany, the United Kingdom and in Ireland. Conclusions appear in the final section.

II. Bankruptcy counselling in Canada

Bankruptcy counselling has been mandatory in Canada since 1992.¹ In principle, this counselling is intended to provide debtors with financial education.² Before the debtor has filed for bankruptcy, a bankruptcy trustee must assess the debtor's situation and advise him or her about the various available options for dealing with the debts. If the debtor then files for bankruptcy, two 30-60 minute counselling sessions are required during the nine months that precede an automatic discharge.³ In the first session, the counsellor is asked to present information about money management and the operation of credit markets ("obtaining and using credit"). The counsellor should then inquire about the bankrupt's spending habits and instruct him or her about the warning signs of financial difficulties.⁴ This first counselling session must take place between 10 and 60 days after the filing of the bankruptcy.

The second counselling session occurs at least one month after the first session and within 210 days of the filing of the bankruptcy. In this session, labeled "Identification of Road Blocks to Solvency and Rehabilitation", the counsellor is asked to accomplish three tasks. First, the counsellor should "follow-up" on the first counselling session to see if debtors are applying the principles learned in that session and help the debtors understand their strengths and weaknesses in money management. Second, the counsellor should help debtors to understand any non-budgetary causes (if any) of their bankruptcies, to develop a better understanding of their own financial behaviour and to make them aware of any resources that might help them achieve economic stability. Third, the counsellor and the

¹ For other published analyses of the Canadian system, see Ramsay (2002), Curnock (1999) and Schwartz (2003).

² According to Directive 1R2, the directive from the Office of the Superintendent of Bankruptcy that specifies the nature of the mandatory counselling, "counselling" means "to assist and educate bankrupts and/or relatives of bankrupts, or consumer debtors, on good financial management, including prudent use of consumer credit and budgeting principles; in developing successful strategies for achieving financial goals and overcoming financial setbacks; and at any time, where appropriate, making referrals to deal with non-budgetary causes of insolvency (e.g.: gambling, addiction, marital and family problems, etc.)" Directive 1R2 is available at <http://strategis.ic.gc.ca/epic/internet/inbsf-osb.nsf/en/br01091e.html>.

³ Failure to attend the two sessions will mean that no automatic discharge is given and the debtor will have to apply to the relevant court for a discharge.

⁴ *Ibid.*, p. 1

debtor, working together, should develop a "financial plan of action" that will lead to financial rehabilitation.

Thus, in principle, mandatory bankruptcy counselling in Canada is intended to provide what amounts to a fast-paced remedial course in financial planning and household finance. Not surprisingly, it seems that what happens in practice often falls short of that goal.

Based on the observation of a number of first and second counselling sessions and on interviews with several experienced counsellors, it is clear that the sessions are often used primarily to maintain contact with the debtors, to provide rudimentary budget advice and to address questions and issues related to the bankruptcy process that the debtor is experiencing. For example, in one interview, the bankrupt had suffered a nervous breakdown, an event that led, at least indirectly, to his insolvency. In the interview I observed, the bankrupt was clearly having trouble understanding any questions beyond the most simple and straightforward. He knew that his wife was dealing with all the financial affairs of the family and was clearly focused on making sure that he remembered to give the trustee the cheques representing the trustee's fee. The trustee asked several questions about "how things were going" and could draw out only perfunctory answers. Since it was evident that any efforts at financial education would be futile, the trustee quickly ended the session.

Another session with another trustee involved a woman who, while working full-time, had established a small gift-shop with financial support of her family. For a time, business was good and the woman and her family prospered. Then two simultaneous events destroyed that prosperity. First, the woman lost her voice, for reasons have eluded her doctors. She could not work any longer, either on her full-time job or in the gift shop. Second, the SARS crisis hit Toronto and the gift shop failed. When I observed her second counselling session, she could speak only with evident discomfort and in a voice that was barely audible. And even that level of function was an improvement, the result of non-traditional treatment in her native Lebanon. The woman was accompanied by her brother, a Toronto-area financial planner who had been supporting her since her misfortunes had begun some years earlier. In this case, the counsellor first went through the events of the past months to make sure that there had been no material change in the woman's circumstances. The woman had run up substantial credit card debts, before the loss of her voice and the collapse of her business, and the counsellor thought it necessary to remind the bankrupt that it would have been more prudent to have limited the size of her credit card balances, even when times were good, in anticipation of the possibility that times would turn bad. That advice, plus some suggestions that the woman should explore job possibilities that did not require speech, comprised the financial education component of the session.

At the suggestion of the OSB, I interviewed two counsellors — one a trustee and one a counselling specialist — who strongly believe in the efficacy of Canadian bankruptcy counselling.

The trustee supports mandatory counselling despite believing, as do most trustees, that bankruptcy is not often an avoidable consequence of personal irresponsibility or ignorance. Counselling is therefore not necessarily about teaching all bankrupts about prudent financial management. Instead, he believes that counselling provides the opportunity to provide advice that is tailored to individual situations and that can help the debtors with the rehabilitation process, understood as "getting back on their feet" after the bankruptcy. He gave the example of a bankrupt who had been a vice-president in a major bank before losing his job. The trustee said that it was clear that the sort of financial counselling envisioned under the BIA would not be of benefit to this particular bankrupt. Instead, the trustee focused on assuring the bankrupt that even though he had lost his job, he was still a

competent individual and would be able to find new work that would be both remunerative and satisfying. In other words, the counselling was not about financial matters but about building the confidence of the bankrupt and helping him rehabilitate himself.

This trustee thought that every bankrupt could benefit from the counselling, as long as the counsellor was sensitive to the needs of the bankrupt. Nonetheless, this trustee was clear that beneficial counselling was the exception rather than the norm under the current system. Nonetheless, he felt that even if only 1 in 10 bankrupts benefited from counselling, the counselling was worthwhile and should be continued. He gave the example of an immigrant who was bankrupt because he really did not understand how the Canadian financial system worked. In that case, the trustee provided the sort of fast-paced course in financial management mentioned above. As a result, the bankrupt was able to re-establish his life and, when the trustee later met him in other contexts, always credited the trustee's advice for his later success. Even if this kind of success is unusual, the trustee believed that it is "worth it."

I asked if trustees should try to identify those who could benefit from counselling and counsel only those who needed it. He was reluctant to move toward such a system, however, because he saw such choices as "too much responsibility" for the trustees.

The second person to whom I was referred by the OSB has been involved in mandatory bankruptcy counselling in Canada since its inception in 1992. In the early days of the system, she toured Canada with Dave Stewart talking to trustees about how the new system would work. She believes passionately in the efficacy of counselling as an educational process and believes that its apparent ineffectiveness could be overcome through a more intense commitment on the part of the insolvency community and by providing better training for counsellors.

Many trustees believe that their clients' bankruptcies are unavoidable because they are caused by events such as unemployment, illness or family disruption. This counsellor believes, however, that prudent financial management would prevent most bankruptcies even when unemployment, illness or family disruption are involved. Her rationale is that prudent financial management demands that individuals and families protect themselves from insolvency either by saving enough to carry them through unemployment, illness or family disruption or by not borrowing when those events are possible. She therefore believes that 90 per cent of bankruptcies would not be necessary if the bankrupts had been financially prudent. Driven by that belief, she provides all bankrupts with extensive information on prudent financial behaviour and believes that many are able to use that information to better manage their personal finances. The information she provides differs in both volume and depth from the information provided by most other trustees.

She also differs from most trustees in how hard she works to discover the cause of bankruptcy. While some trustees might simply scribble "bad management" or "unemployment" in the relevant part of Form xxx, this counsellor tries to confront bankrupts with what she believes to be the true cause. Given her view that most bankruptcies are the responsibility of the bankrupt, she tries to force the debtor to accept that responsibility. She does not shy away from asking whether the debtors has drug problems or a gambling addiction or a predilection toward compulsive shopping. Because she believes so strongly in the therapeutic effects of accepting responsibility, she is ready for the debtor to be upset by these investigations and prepared to support them in the aftermath with referrals to appropriate sources of help.

In summary, I believe that Canadian bankruptcy counselling does not fulfill the promise of financial education. Even if the system helps the rare bankrupt, it seems wasteful to have a

system in which the vast majority of counselling is either unnecessary or ineffective. And, since I do not believe that most bankruptcies are the result of financial imprudence, I do not think it advisable to train all counsellors to follow the example the counsellor discussed in the last paragraph.

Nonetheless, the counselling still plays a valuable role in the bankruptcy process by facilitating and informing that process. Whether this role implies mandatory sessions or face-to-face contact, however, is arguable.

III. Similarities and differences between the North American and European systems

Before discussing the details of several different types of European debt counselling, it is perhaps worth presenting some of the broad similarities and differences between debt counselling in Europe and in North America.

In both Europe and North America: (a) the goals of debt counselling, broadly stated, are the same; (b) there is a common assumption that financial education is generally inadequate and should be improved; and (c) the counselling is not very intensive, rarely lasting more than a few hours per debtor.

First, as Johanna Niemi-Kiesilainen (1999) pointed out, the goals of counselling are almost always defined in the same way: prevention of debt problems, rehabilitation of the debtor, and emancipation of the debtor from compulsive consumption and use of consumer credit. These goals are echoed in the language in the legislation governing the Canadian bankruptcy counselling system. While these goals are common across systems, the emphasis can be quite different in different countries.

Second, it would seem that most practicing debt counsellors soon become aware that some debtors get into trouble because of ignorance or "compulsive consumption". While few believe that these are the only or even the most important causes of overindebtedness - loss of employment, sickness and marital disruption are mentioned in every country - most acknowledge the need of many citizens (not only overindebted citizens) for financial education.

Third, despite a wide variety of institutional structures, the actual amount of time that counsellors spend with debtors is quite similar, rarely lasting more than a few hours. This is likely because the basic tasks are similar - compiling a picture of the debtor's income and expenditure, listing his or her assets and debts, advising on a course of action and then helping the debtor through the chosen process.

Despite these similarities, there are also many differences between the North American and European counselling institutions. These include: (a) the long history of European debt advice institutions; (b) the focus of some of these institutions on low-income populations; (c) the influence of the absence, in Europe, of a quick discharge of debts within bankruptcy; and (d) the voluntary nature of European counselling. Each of these will be discussed in turn.

In some European countries, there is a relatively long history of debt advice organizations that offer free financial advice that is not necessarily related to any insolvency proceedings. For example, government-funded "debt advice" has existed in Germany, as part of the welfare state, since 1974 even though the German insolvency procedure dates back only to 1999. As another example, the model of money advice that has developed in England was pioneered by the Birmingham Money Advice Centre in the late 1960s and early 1970s and

was subsequently adopted by CABx.⁵ Even though the advice that is currently provided by these organizations is largely related to overindebtedness, there is nonetheless a framework within which other kinds of money advice can be given.

Perhaps because of the slower development of consumer credit in Europe, the primary focus of debt advice organizations has been on low-income populations whose debt problems may be related to rent arrears or non-payment of utility bills. In North America, where debt problems arise across a broad spectrum of income classes, debt counselling is addressed to that same broad spectrum of citizens. As consumer credit spreads across Europe, however, some debt advice organizations are having to consider how, if at all, they will serve the middle class.

A particularly important difference between Europe and North America is that, in North America, discharge will occur within a year of filing for bankruptcy. While the UK and France have recently adopted legislation that allows discharge for some debtors within about 12 months, access to the discharge is still not as open as it is in North America.⁶ In Europe, over-indebted people often face a period of at least five years during which they will repay their debts while living on what amounts to a subsistence income. Therefore, even if the broad goals are the same, the needs of those being counseled are quite different as is the extent to which debtors are in contact with the debt advice agency.

Finally, counselling in Europe is rarely mandatory, as it is in Canada. Debtors come to the debt advice organizations for a variety of reasons but there is no legislative requirement that they obtain counselling. Some debt advice organizations do “outreach”, setting up offices or holding office hours in places such as public housing projects or community centres in low-income areas where the overindebted might be more likely to reside.

The next section presents a rough typology of debt counselling institutions, dividing them into process-oriented, rights-based or educational system.

IV. A Rough Typology of Debt Counselling Institutions

What exactly is meant by “counselling” for insolvent or overindebted individuals?⁷ In principle, there would seem to be few bounds on the counselling that the overindebted might seek or that others might think they need. A partial list might include:

- advice on how best to deal with their debts;
- insight into the causes of their overindebtedness;
- referrals to outside sources if non-financial matters are thought to be negatively affecting them;
- legal assistance or advice;
- information about particular sources of income (e.g., social assistance programs) or particular expenses (e.g., insurance).

In practice, however, the list can become quite short. The vast majority of those who come into contact with debt counsellors are in serious trouble with their creditors. They most need advice on how best to deal with their debts; all other matters are secondary. It is rare, for example, for someone with only minor financial problems to end up talking to a debt

⁵ See Ramsay (2003), p. 215.

⁶ For a discussion of the Enterprise Act 2002, under which debtors receive a discharge in a maximum of 12 months, see Ramsay (2003), pp. 218-225. For a description of the French system, see Kilborn (2005).

⁷ In this paper, “insolvency” and “overindebtedness” will be assumed to have a similar meaning - an inability to meet debt service obligations as they come due.

counsellor. Not surprisingly, therefore, advice about the best options for dealing with the individual's debts has the highest priority. Even though the available options vary quite significantly across countries, all of the counselling systems described here provide such advice.

The first step for an advisor is almost always to learn the details of the debtor's income, expenditures and outstanding debts. These preliminary matters can be of great comfort to debtors since their financial situation can be explained to a sympathetic, non-judgmental outside person and, in many cases, advisors can provide at least a partial solution to the person's problems. The knowledge that a manageable debt settlement plan can be reached, or that discharge of most debts is possible, provides immediate relief to debtors, even if they have yet to go through the process. In other cases, of course, there is little that the advisor can do. Sometimes debtors have waited so long that legal action is unavoidable; sometimes their major debts are not dischargeable in bankruptcy; and sometimes, when bankruptcy is not available and the debtor has little income and large debts, the only available option is to offer token payments to the creditors.

The key issue here is what is provided in addition to advice on the best option. In the process-oriented systems, the major subsequent activity is administering the chosen procedure and monitoring the debtor as they proceed through it. In rights-based systems, might make strenuous efforts to advocate on behalf of the debtors in ways that are outside of the insolvency procedure itself. For example, they might review debt contracts to make sure that these contracts meet the relevant legal requirements. A third possibility exists. The primary aim of debt counselling could be *educational* in the sense of trying to inform debtors of how credit markets work, how household finances should be organized and how to distinguish among offers of credit.

Before discussing how rights-based systems differ from process-oriented systems, I distinguish between two variants of rights-based systems, only one of which will be discussed in the remainder of the paper. In the US, insolvency is often handled by lawyers acting on behalf of the debtor. In such an arrangement, which is not as common in Canada or in Europe, the lawyer might (ideally) advocate for the client on a creditor-by-creditor basis, arguing where possible that the credit contract is invalid or, if not, bargaining for favourable repayment terms. Such a system is definitely rights-based since the lawyers focus on asserting the debtor's rights but it has a fairly narrow scope. The lawyer is not generally concerned with the whole of the debtor's situation and does not spend much time dealing with issues other than the debts on the table.

The rights-based systems that will be discussed here have a different starting point than either a lawyer-dominated system or a process-oriented systems. They are typically rooted in welfare state institutions which are concerned with the well-being of low-income, disadvantaged people. For the remainder of this paper, the term "rights-based organizations" will refer to these social-welfare-oriented organizations. I will consider three examples below: German money advice centres, the Citizen's Advice Bureaux (CABx) in the UK and the Money Advice and Budgeting Service (MABS) in Ireland. All three consider their target populations to be low-income people, often those receiving social assistance benefits. Even though the outcome of their work with overindebted clients might be the similar to the outcome achieved by process-oriented counsellors – an out-of-court agreement with creditors to make payments on outstanding debts – the differences in their target population, in their sources of funding and in the overall ethos of their work are important.

These differences are worth discussing at the onset. First, rights-based organizations take a self-described "holistic" view of the people who use their services. In practice, this means

that these organizations try to understand the broader issues that might be affecting the debtor's circumstances rather than honing in primarily on debt issues. Process-oriented organizations do not necessarily dismiss the importance of these other issues but, ultimately, non-debt issues are left for the debtors to resolve on their own. The rights-based organizations might be more likely to address the other problems in addition to the debt problems.

Second, the difference in the populations is quite important. The middle-class clients that come to credit counsellors have the capability of making regular monthly payments to their creditors. They also have important assets (and an important way of life) that they are anxious to protect. By and large, they face the choice between making an agreement with their creditors and taking a big step down in their standard of living. The clients of the rights-based organizations might face eviction for non-payment of rent, their electricity and gas might be on the verge of being turned off and they might be having trouble finding enough money to pay for food. In other words, the choice of taking a step down in standard of living is not available and the issue facing the debt advisors of rights-based organizations can be how to keep their clients from becoming homeless.

Third, the rights-based organizations typically have a community-oriented approach. Where some process-oriented counsellors have several centralized operations, the rights-based organizations are heavily influenced by local communities. In the case of the CABx, for example, the funding for each office depends on money from local authorities; if the local authority is unwilling to support a CAB office, none exists. In the case of MABS, each office has a volunteer board drawn from the local community, even though MABS funding is federal.

Fourth, as implied in the last paragraph, the funding structure of the rights-based organizations is very different. Where most credit counselling organizations receive a percentage of the funds paid to creditors by its clients, the rights-based organizations are government-funded. Moreover, a large portion of their funding comes from the social welfare units of government, reinforcing their focus on the disadvantaged.

This funding issue may be quite important. As will be detailed below in the case of the CABx, the rights-based organizations are quite concerned to appear as free as possible of any considerations other than the welfare of their clients. The process-based institutions that receive funding from creditors (such as CCCS in the UK and many Canadian credit counselling organizations) risk being considered a "captured" industry. As Karen Gross pointed out in our conversation, a debt counselling agency might be considered to be "captured" if the solution to overindebtedness that it recommends is the same for all debtors who come to it.⁸ For example, she would consider a credit counselling agency to be "captured" because the option it offers — a voluntary payment plan that gives all creditors a share of the money paid into the plan — is the same for all clients. The details might vary but the structure is the same. In contrast, according to Gross, a lawyer acting on behalf of a client might arrive at different options depending on the personal circumstances of the client, on the nature of the debts and on his or her individual persuasiveness.

These distinctions among process-oriented, rights-based and educational systems should not be overdrawn. For example, even the independent social-welfare-oriented rights-based organizations end up offering quite similar options to their clients. Process-oriented systems look into whether the debtor's rights have been violated. Both provide education of a sort. The distinctions are sometimes more a matter of emphasis than a clear difference in the functions undertaken.

⁸ Interview with Karen Gross of the New York Law School, New York, June 2005.

We now turn to a discussion of debt advice organizations in three countries – Germany, the United Kingdom and Ireland — drawing on published literature and on site visits in the spring of 2005. This review is not intended to be exhaustive, but it will capture some of the implications of the above-mentioned similarities and differences.

V. Debt Counselling in Three European Countries

Germany

Prior to 1999, when Germany's contemporary insolvency law came into force, individuals who were insolvent had almost no chance to escape their debts. Many were consigned to a "modern debtor's prison", living indefinitely on a small amount of income and owning only the basic necessities of life — all else had to be given over to creditors. The only alternative was to live "in the shadow economy and work on the black market."⁹

Germany has long has an extensive system of more than 1,000 "money advice" centres which are funded by the government and operated by private and church-based charitable organisations and community groups. Before 1999, they could advise over-indebted people about their situations but there was little to be done for the most heavily indebted. The role of the debt counselling centres in these cases was to try to create an arrangement with creditors or simply to inform the debtors of the difficult life ahead.

The money advice centres also play a crucial role in contemporary German insolvency procedures.¹⁰ Under the 1999 law, they play a central role moving debtors through the various stages of the process toward eventual discharge, which occurs only after the debtor has spent six years in a repayment plan. The first step toward discharge in Germany involves a mandatory attempt by debtors to come to an out-of-court settlement with all of their creditors. According to the law, the debtor must be supported by a "suitable person or office" which turns out, in practice, to be a debt counsellor.¹¹ At a minimum, the debt counsellor helps the debtor prepare a budget that will be the basis for the negotiations with the creditors. If no agreement can be reached out-of-court, the debtor can proceed with the insolvency. The end result, however, is not a North American discharge after a short period of time but a six year repayment plan at the end of which any remaining debts are discharged. The debtor must liquidate all non-exempt assets and, during the repayment period, must turn over all non-exempt income. In practice, there are no non-exempt assets and little "excess" income so that creditors receive virtually no benefit from the repayment plans. Kilborn argues (2004, p. 295), however, that the German system has "the potential for inculcating financial responsibility in current and potential debtors."

These money advice centres have a role beyond their participation in the insolvency procedures. As Reifner and Groth (2005) note, "they aim not only to arrange more favourable repayment terms for their clients, but also to have a preventative effect on both

⁹ See Kilborn (2004).

¹⁰ In addition, there is a network of 400 general consumer advice centres co-ordinated by a central agency (the Verbraucherzentrale Bundesverband). The centres are funded by regional governments and the central agency is funded by the federal government with total annual funding of 50 million euros. Some of these consumer advice centres can act in the capacity of a money advice centre in the context of the insolvency law.

¹¹ Lawyers are also named as "suitable people" but, in practice, few lawyers undertake this high-effort, low-reward work.

the subjective and the objective dimensions of overindebtedness.” The demand for their services by insolvent debtors, however, has created a sense of “mission drift” for these centres as they try: (a) to handle the flood of debtors trying to work their way through the insolvency procedures; and (b) provide financial education to consumers more generally.

In most centres, the financial education role takes the form of providing materials (often created by government agencies or financial services providers) that offer budgeting help without personal intervention. In larger centres, however, a more extensive set of counselling and educational activities takes place. Reifner and Groth give the example of a money advice centre that was first established as a pilot project between 1995 and 1998 and then received enough funding to allow it to continue. In addition to individual advice sessions, the office provides seminars, group training classes, youth projects and dissemination sessions on dealing with money. Information is produced on a number of subjects and are made available on the premises. The topics covered in these individual advice sessions include using and obtaining income, transfer income, consumer credit, home purchase, building up savings and integrated debt advice. The youth projects are carried out in co-operation with various organisations, including schools and further education institutions. These projects address topics related to everyday life, such as “Your first place of your own”, or “Advertising makes people stupid and broke”.

The United Kingdom

The primary process-oriented systems are credit counselling organizations in Canada, the US and the United Kingdom. These are typically non-profit organizations that operate without government funding; instead, they are financed by creditors in the sense that creditors pay the credit counselling organizations a percentage of the amounts paid by their clients.¹² In the UK, a major credit counselling organization called the Consumer Credit Counselling Service (CCCS) serves the middle class while the CABx serves the poor. Each of these is discussed in this section.

Consumer Credit Counselling Services is a non-profit organization in the UK that was established in 1992, with start-up funding provided by several large creditors. The solution to overindebtedness offered by CCCS is a debt management plan (DMP). Creditors who agree to a DMP will stop the accrual of interest on the money owed to them and the debtor will pay the unpaid balance over a period of three to five years. Debt forgiveness (beyond the freeze on further interest accumulation) is not common. CCCS primarily serves middle-class individuals and families. If the debtor does not have sufficient income to make such a plan feasible, CCCS will direct them elsewhere. That said, CCCS has a very large number of clients and, according to CCCS at least, the DMPs have a very high success rate. Clients are not charged for the services of CCCS.

One reason for the success of CCCS among overindebted middle-class families is that bankruptcy is not as attractive in the UK as it is in Canada. Homeowners would typically be forced to sell their homes in a bankruptcy and, if they had income above a fairly modest budget, would be able to discharge their debts only after making payments to their creditors for several years.

Another crucial element in the success of CCCS is that the budget that it establishes with the debtor and then proposes to creditors is “realistic” in the sense that it allows the debtors to maintain their middle-class lifestyle, albeit without some of the luxuries of middle-class life such as an expensive vehicle and frequent holidays.

¹² There are also for-profit businesses that charge a fee for arranging payment plans with creditors. These businesses are clearly process-oriented but are outside the scope of this paper.

Most CCCS counselling sessions (97 percent) are conducted by telephone. The first contact between the debtor and CCCS is often a toll-free call to the main CCCS telephone centre in Leeds. A "duty counsellor" collects basic information from callers and decides whether it is likely that they will be able to make payments to their creditors. If so, callers are referred to a CCCS debt advisor in the city nearest them. When the advisor calls the debtors, he or she begins by asking them to explain the sources and nature of their current monthly income. The debtors are then asked to set out their current monthly expenditures in some detail, moving from essential items, such as housing, to incidental expenses such as cigarettes and lunch money. This list of current expenditures will form the basis of the budget presented to creditors. It therefore does not include *all* current expenditures but only those that are essential to maintaining a reasonable standard of living. For example, no "allowance" for holidays is included and amounts spent on cigarettes, alcohol, lottery tickets and even clothing are kept to an amount that the counsellor believes to be reasonable. If the debtor's net income is above the debtor's expenditures (excluding expenditures thought not to be acceptable to creditors), then there is the potential for a debt management plan. If so, the next step is to go through the outstanding debts. If the current amount of the debts (excluding future interest payments) can be repaid within 3-5 years, the advisor might propose that the debtors establish DMPs. Under some circumstances, longer payment plans can be proposed.

An example that I observed in the Glasgow office of CCCS will illustrate the process. The debtors were a couple with three children, twin 10-year old boys and an 18-year old daughter. The interview was conducted by telephone and, after the advisor had asked for and received the permission of the debtors, I was allowed to listen in. The advisor knew nothing about the debtors beyond their contact information and that they had been referred to her by the Leeds telephone centre.

One of the underlying causes of the debtor's situation was raised immediately. A few years before, one of their twins had undergone routine dental surgery but had suffered brain damage in the process. In addition to dealing with the tragedy of their son's injury, the debtors were involved in an on-going court case against the anesthesiologist. They had recently missed a mortgage payment, precipitating their call to CCCS. After expressing her sympathies, the advisor went about the business of collecting information on the income and expenditures of the family. This was a solidly middle-class family with both parents working and with substantial equity in their home. The husband worked as a "transport controller" earning \$2,800 per month; the wife worked 24 hours per week and earned about \$1,600 per month. Government benefits and tax credits provided an additional \$1,500 per month, including \$600 in disability benefits for their son.¹³

Having established the existence of significant income, the advisor went on to inquire about expenditures. The idea here was not only to learn about necessary (and perhaps unnecessary) family expenditures, but also to set the parameters of a budget that might be acceptable to the creditors. The couple owned a \$330,000 home that had recently been refinanced with a \$280,000 mortgage; the monthly mortgage payment was about \$1,800 per month. Critically, this payment is "allowed" in the budget to be presented to the creditors. If the budget is accepted, the family will be able to remain in their home and to continue paying the mortgage.

The next item was "expenses for motor vehicles" and it quickly became clear that this issues could not so easily handled. The family had an older car on which they were making payments of \$220 per month. However, about two years before, they had purchased a newer

¹³ For the readers' convenience, all dollar amounts have been stated in C\$2005.

car on which they were paying \$1,000 per month. It was apparent to the debtors that this car would have to be sold and the advisor discussed how that might happen (and how there might be an additional debt arising from the difference between the selling price of the car and the amount owed).

The remaining expenditures of the family were quickly collected. Several items are of interest here because they indicate the balance that the advisor is trying to achieve between the family's actual current expenditures and the new budget that the advisor might prepare for the review of both the family and their creditors. For example, the advisor did not ask the family about their expenditures on holidays. The advisor knew that such expenditures, if proposed as part of the budget for the DMP, would not be accepted by the creditors. Similarly, if an expenditure is out of line with what the advisor thinks is "reasonable" (e.g., large amounts spent on tobacco or alcohol), the advisor will suggest lower amounts. There were no such expenditures in this case. On the other hand, if expenditures that the advisor thinks are important are missing, the advisor might include those expenditures in the budget. In the case under discussion here, the debtors said that they did not have any expenditures for life insurance or pensions. The advisor suggested that these were important and included \$80 per month for those purposes.

The end result of this data collection exercise was a budget that the advisor thought could be proposed to the creditors and that allowed the debtors to maintain at least the essentials of their former lifestyle. If the debtors were willing to sell their expensive car, they would have about \$1,000 per month that they could give to their creditors. All this was done to prior to discussing the debts themselves and served to establish that money was available for the creditors.

Next the debtors listed all of their outstanding debts. Apart from the home and the two cars, the major debts were significant personal loans from several banks and significant credit card balances on a variety of types of cards. The total debt (apart from the mortgage and the car loans) was about \$150,000. The advisor did not inquire about how such large balances came to exist. The debtor, however, offered that the family had been "living off the cards" for a couple years. This may be important, of course, since the budget discussed above was considerably smaller than the family income so that whatever expenditures had been financed by this borrowing could not continue. The implicit assumption is that these expenses had been unnecessary.

The interview ended, after about 75 minutes, with the advisor saying that she would send the debtors the budget that they had constructed and that a second interview would be set up after they had had a chance to review the budget and to think about the implications of going into a debt management plan.

The Citizens Advice Bureaux (CABx) in the United Kingdom has been providing advice on "legal, money and other problems" since before World War II and, over the years, has become an enormous enterprise. More than 25,000 people work in the CABx, a staff consisting of about 5,000 paid employees and 20,000 volunteers. In addition, there is a national umbrella organization, called Citizens Advice, that provides support services and policy development for the network of CABx. The income of the network of local CABx is more than \$250 million each year, with about 50 percent coming from local authorities. Another significant source of funds is about \$50 million from the Legal Services Commission. Other sources of funds include lottery money and money from other charitable organizations. Citizens Advice has income of over \$80 million, most of which comes from the federal Department of Trade and Industry. Thus, the CABx dwarfs CCCS which has only 80 paid staff. The goal of CAB is to help clients resolve problems "by

providing free, independent and confidential advice, and by influencing policymakers.”

The target population for the CABx is low-income, disadvantaged individuals and families. The average monthly income of clients of the Citizen’s Advice Bureaux in the UK is roughly half the UK average net monthly income (Edwards, 2003, p.1). One implication is that the CABx focus on priority debts, defined by the CAB as “debts where the ultimate sanction for non-payment is imprisonment, loss of home, disconnection of fuel supply or repossession of essential goods on hire purchase.”

CAB defines non-priority debts as “primarily unsecured consumer credit debts, ... where the creditor’s only sanction for non-payment is to sue for payment.” (Edwards, p. 24). Certain kinds of these debts — catalogue debts and loans from so-called “doorstep lenders”) — have become more numerous among the low-income populations targeted by CAB. These lenders charge high interest rates and often take household possessions as security. Mainstream consumer credit – credit cards and bank overdrafts – is relatively uncommon (though it can still present many problems for some low-income people).

Because of its size, and because of the relatively well-funded national organization, the CAB can play a larger role in policy development than other rights-based organizations have been able to play. For example, when I visited Citizens Advice, I was able to sit in on a discussion among three staffers concerning a new proposed bankruptcy procedure for no income, no asset (NINA) debtors with relative low levels of outstanding debts (less than \$30,000).

Bankruptcy in England generally requires an upfront payment of just over \$800. The fee has two components, a \$280 court fee (that can sometimes be waived) and another \$540 fee that must be paid by all. According to the CAB, it is not infrequent for debtors to be unable to go through bankruptcy (even if that is the best option for them) because they are simply unable to come up with required cash. The three staffers thought that about 75 per cent of those who come to CAB for money advice are advised to file for bankruptcy.

The discussion in which I took part was about how to respond to a government proposal for a lower-cost NINA bankruptcy procedure called a “debt relief order” (DRO).¹⁴ The new procedure would be less costly than a bankruptcy under the current rules but would only be available to debtors whose “surplus” income was less than \$100 per month, whose assets were worth less than \$600 and whose debts amounted to less than \$30,000. It had apparently been made clear that the government hoped that the CAB would act as a primary intermediary (a role much like that of Canadian bankruptcy trustees) between the debtors seeking a DRO and their creditors. However, it was clear in the discussion in which I participated that substantial funding would be necessary if any intermediary was to handle what would doubtless be a large number of debtors seeking DROs. The question was then: who would pay for the staff and other resources needed to administer the new bankruptcy procedure?

While both the discussion and the eventual formal response were wide-ranging, one aspect is particularly relevant to the functioning of “rights-based” debt advice services. The CAB guards its independence quite closely, trying to avoid any appearance of serving any interests (whether they be government or creditor interests) other than the interests of the debtors. This is made clear by two of the summary points in the CAB response to the

¹⁴ This discussion, in early June, was part of a larger consultation process, the results of which appear at http://www.citizensadvice.org.uk/index/campaigns/social_policy/consultation_responses/cr_consumerand_debt/relief_for_the_indebted.

proposed plans for a DRO. The only point that appears in bold in the response is that the CAB could not accept any role as an intermediary unless it received "written assurances" that it would be allowed to "always act independently and in the best interests of our clients, and not as an agent of the government". That is, if the CAB agreed to accept substantial new funding from the government to pay its costs for acting as an intermediary, it would not be willing to function as would a government department.

Another one of the summary points addresses the same concern about the link between future funding and CAB's independence. CAB does not want its funding to consist of "a proportion of each DRO fee." Their fear, as expressed in our meeting, is that such an arrangement would create a conflict of interest because the CAB advisor might be seen as "pushing" DROs because each order would generate resources for the CAB office. Implicitly, the CAB believes that the independence of both CCCS (which makes money from each DMP it arranges) and Canadian bankruptcy trustees (who profit from bankruptcies) is compromised by their funding structure.

In addition to attending the discussion of the debt relief order proposal, I spoke at length with the person handling the "financial exclusion" file for Citizens Advice. In addition, she and I visited a CAB office in Woolrich, a low-income area in South London. There I met briefly with two money advisors who described what they did. Apart from their clear adherence to CAB principles, they raised the interesting issue of "outreach". CABx try to reach out within their communities to identify groups who might be encountering debt problems. For example, the Woolrich advisors described an outreach office that they had established at a local social housing complex. Once a week, one of them spent a morning in a room provided by the housing authorities and was available to provide advice. The clients included those who came into the office on their own and those were referred by housing authority staff who judged them to be in danger of overindebtedness. For rights-based organizations, this kind of outreach is purely a public service since there is nothing to be gained (except more work) from such efforts.

Ireland

The Money and Budgeting Service in Ireland is funded by the Irish Department of Social and Family Affairs (DFSA). Liam Edwards, a DFSA staff member who was active in the creation of MABS, has been the MABS National Co-ordinator throughout its evolution. Funding comes from the Irish federal government (11.4 million euros in 2004). MABS was begun as a pilot project in five locations in 1992 and has grown substantially since then, up to the current 53 operations. Each of the 53 MABS locations operates as an independent limited-liability company overseen by a volunteer board drawn from the local community.

Just as it was important to understand the availability of bankruptcy in the UK to understand the appeal of CCCS, it is important to understand the availability of bankruptcy in Ireland to understand the role of MABS.

Put simply, there is no real access to bankruptcy in Ireland. An archaic bankruptcy law exists but less than 20 people per year are able and willing to meet its onerous requirements. The absence of modern bankruptcy legislation puts a heavy burden on both creditors and debtors. On the debtor side, there is no legislative way to come to an out-of-court debt settlement agreement with one's creditors. Except for those able to use MABS, each debtor must deal with each creditor individually. In the absence of an individual agreement, each creditor can file suit against the debtor, seeking a court-ordered payment. There is no provision for wage attachment in Ireland so the court simply orders the debtor to pay a certain amount per month. If the debtor is unable or unwilling to pay, he or she can be found in contempt of court and jailed for a period of not more than three months. And

imprisonment for debt is not an idle threat – more than 200 debtors are sent to prison each year.

MABS will work with debtors and their creditors to arrive at a payment plan involving a monthly payment that is feasible for the debtor, avoids legal costs for creditors and ensures that all creditors receive a pro rata share of the payments made. The payments may not be large (given the low-income of MABS clients) but they are handled by MABS through a special account and MABS encourages debtors to maintain the payment schedule.

Two special relationships have strongly influenced the evolution of MABS. One is its link to the Society of St. Vincent de Paul (SvdP). Prior to the creation of MABS, SvdP had been made responsible for a government fund intended to make loans to over-indebted people. When it became apparent that overindebtedness was increasingly common, SvdP became active in pushing for the creation of MABS. Individuals associated with SvdP continue to be active on the local MABS management boards. Their influence gives MABS an inclination to maintain its focus on the disadvantaged and its links with local communities.

The second special relationship is that between MABS and the set of Irish credit unions. As in other countries, credit unions have their roots in local communities and are often the only source of banking services available in low-income communities. This is especially true as mainstream banks have reduced the number of branches that they operate and, often, closed branches in low-income areas. Credit unions are important to MABS in at least two ways. First, people associated with local credit unions would typically be represented on the management board of the local MABS office. Second, under the terms of repayment agreements arranged by MABS, debtors make payments into accounts set up for them at the local credit union. In principle, therefore, there is a close relationship between MABS and Irish credit unions. That relationship is complicated in the current period as credit unions are being encouraged to become more like banks. As a result, there have been cases where some credit unions have been recalcitrant in cases where they are owed money and are approached by MABS to arrange repayment plans.

It was not possible to observe in-person counselling sessions by MABS advisors. Instead, I visited three MABS offices in the company of Siobhan Brown, one of five former money advisors who have become “national development officers” charged with aiding the overall national development of MABS.¹⁵

I first visited a relatively rural site in County Monaghan in the small city of Castleblayney, near the border with Northern Ireland and about 100 kilometers from both Dublin and Belfast. The MABS office in Castleblayney had recently moved to new offices in a central location on the high street. The office employs two full-time money advisors and a full-time administrative staff person.

It quickly became clear that MABS deals with very different situations than does CCCS. As noted above, almost all CCCS counselling occurs over the telephone and the length of the sessions, although not tightly controlled by CCCS management, is generally kept to about an hour, with only rare sessions lasting longer. Almost all of MABS counselling is in person, and takes place in the community in which the debtor lives. An example will illustrate the difference.

¹⁵ In 2004, the new limited company called MABS NDL (MABS National Development Limited) was set up and staffed with five former MABS advisors. MABS NDL is intended to provide support services on a national basis. These services include technical support to money advisors, policy development at a national level and IT support.

One of the Monaghan MABS money advisors told the story of her dealings with an elderly farmer who had come to her for debt advice. In dealing with his case, it became apparent that one of the issues was that his creditors believed that his farm was far larger than he was admitting, meaning that he could sell all or part of the farm and make good on his debts. The money advisor, on her own time, went out the farm and walked its boundaries with her client to convince herself that his claims were legitimate. In another case, a client was delaying taking any action on a proposed debt management plan. Over time, however, the money advisor realized that the debtor had kept the debt problems hidden from her husband and was able to bring the debtor to the realization that the problems would have to come into the open.

These kinds of stories have two implications. The first, one that I heard on several occasions, is that MABS has a "personal touch" – there is a obvious affection for the most of the debtors and a sincere concern for their well-being. As in most counselling situations, having an empathic person listen sympathetically to one's problems is beneficial in itself. The second implication arises from the first: MABS money advisors (and rights-based organizations in general) spend more time with the overindebted than do process-oriented organizations. The concern for the whole of a debtor's life leads the counsellors into areas that more focused process-oriented organizations tend to avoid. The downside of such concern is that MABS may be serving fewer clients that it could. Whether the benefits of the additional time and concern justify the presumably lower volume is an issue with which MABS must struggle.

The second site visit was to a low-income area in the northeast part of Dublin. Unlike the Monaghan MABS office, the Coolock MABS office is located in a modern community centre that also houses a variety of other government organizations serving the local community. Not surprisingly, the money advisor I talked to characterized the Northside Community Centre as a "one stop shop" for help with social housing and employment as well as for money advice.

I asked this money advisor questions about the nature of the MABS interventions in his office. In response to a question about the average amount of time spent with each client, he suggested that it would be unusual to spend less than five hours with each one. This kind of number gives credence to the idea that the empathic advice that MABS provides comes at a cost in time that is considerably higher than for process-oriented organizations.¹⁶ The advisor gave the example of working with clients who had mental health problems as an example of the more demanding cases. Not only must the debt problems be dealt with but the person would typically need help with a whole range of other issues and would have to be appropriately referred.

In response to a question about the nature of the services provided, the advisor suggested that about 80 per cent of the people with whom he deals are in need of some sort of intervention by the MABS office. Only a minority – the remaining 20 percent - are in need only of advice. The provision of consumer education is one of the goals for all MABS offices and seems to be taken seriously. In all of the MABS offices I visited, some sort of community work involving financial education – speaking in schools, presenting small seminars or providing information to the media – was seen as an important part of their mission. Making time to do that sort of work, however, in the face of the demand for their services was a continuing challenge.

¹⁶ While MABS spends relatively more time with each client, the amount of time spent still falls far short of a lengthy counselling relationship. It remains true that none of these debt advice organizations spend the amount of time that would be necessary to meet any sort of elaborate educational goals.

I asked about the independence of MABS, given that independence from being financed by creditors is thought to be a major advantage of rights-based organizations. The advisor saw MABS as an honest broker, trying to establish a reasonable payment plan for the debtors while recognizing what creditors "can and cannot do." If creditors have acted irresponsibly, in his view, MABS would take action. He gave the example of his dealings with one credit union which had lent several clients far more than their own guidelines had suggested. Where the guidelines suggest lending two or at most three times the savings of the borrowers, this credit union had lent ten times the amount of savings. The advisor had met with the credit union to discuss this situation.

The third site visit, to a MABS office in a community centre in the western part of Dublin, in another low-income area, was quite a bit different than the first two. Instead of talking to the MABS advisors, I spoke with three clients (albeit ones chosen by the advisor) about their experience with MABS. Not surprisingly, perhaps, the three clients were effusive in their praise of the MABS advisor. According to one client, the advisor had "saved his life" when a heart attack had led to the loss of a job and consequent delinquencies. Dealing with the collection efforts was causing life-threatening stress so that having the advisor deal with his creditors addressed both the overindebtedness and the stress. Another client stressed the educational value of the advisor's work. This client had gone through several years of repaying her debts in line with a plan developed by the advisor. She credited the advisor not only with resolving her overindebtedness but also with teaching her how to live without overindebtedness on her rather low income. The third client was a member of the board of the community centre and had gotten into debt trouble because of her daughter's mobile phone bills. While these debts were not enormous, they caused significant problems until the advisor was able to arrange a reasonable payment plan. The common element among the three clients, and one that was common to all of the MABS sites that I visited was the emphasis on the value of personal relationships. MABS offices are places where clients are "invited to sit down with a cup of tea" to discuss debt issues, reducing the dread with which most debtors face any formal efforts to resolve their situations.

Overall, these site visits gave concrete form to the rhetoric of the rights-based organizations. Rather than the narrow focus on the processing of creating and administering voluntary repayment plans, I saw a wider concern for the debtor's situation, whatever it might be. This should not be overstated, however, since the primary issue facing the people who come to MABS is their debt problem and establishing a voluntary plan to repay the debts, with the agreement of the creditors, is still the primary focus of the MABS advisors. And, as noted above, the credit counsellors may also be concerned about other aspects of the lives of their clients; they are simply seem less able to allocate as much time to them as MABS advisors.

VI. Discussion

The intent of the Canadian mandatory counselling sessions, as set out in the Bankruptcy and Insolvency Act, is primarily educational. None of the systems just described has the same primary intent, even though all recognize the importance of financial education and include it among their goals. The closest analogue to Canadian bankruptcy counselling is yet another project - the debtor education provided by the Coalition for Consumer Bankruptcy Debtor Education, a pilot project that operates in the Eastern District of New York (encompassing several New York City boroughs). The relevance of debtor education after bankruptcy filing will undoubtedly grow in importance in the US because the recent American bankruptcy reform bill introduced mandatory post-filing financial management education.

The rationale for debtor education is unassailable (Block-Leib et al., p. 507):

Without adequate financial literacy skills, consumers cannot effectively compare and contrast credit offers; nor can they distinguish between legitimate and predatory lending practices. They may be unable to create suitable spending plans ... Consumers may not know how to locate, let alone fix, their credit report or the steps they can take to improve their credit score. Stated most simply, we live and deal with money daily, but may not understand and communicate effectively about it.

The rationale for focusing on debtors in bankruptcy is less obvious. Although those operating the pilot recognize that many individuals end up in bankruptcy for reasons having nothing to do with financial literacy skills or financial mismanagement, they believe that debtors in bankruptcy are an "identifiable audience of individuals with financial trouble and a need for information about personal finance" (Block-Lieb et al., p. 508). Most importantly, they believe that the filing of a bankruptcy creates a "teachable moment" when individuals will be particularly receptive to education.¹⁷ Interestingly, the kind of information mentioned in Block-Lieb et al. is really process-oriented information, "about the issues they will confront in the bankruptcy process", "about common schemes and abuses to which they may be subjected following bankruptcy" and about "stories of others who are similarly situated." Nonetheless, the debtor education envisaged by the Coalition is a way of empowering debtors by enabling them to function more effectively in the marketplace. In that sense, the Coalition efforts are in line with those of the rights-based organizations discussed above.

In practice, the education provided in the pilot project takes the form of a free three-hour personal financial management course taught under the auspices of the Coalition and using a curriculum called "Making Sense of Cents". The course was taught by "volunteers from the bankruptcy legal community, the financial services industry, and community-based organizations" each of whom went through a training program prior to entering the classroom.

A major difference between the mandatory Canadian bankruptcy counselling and the course provided by the Coalition is that the Coalition class is voluntary, offered to all those filing for bankruptcy in the Eastern District. Given its voluntary nature, it was no easy task to induce debtors to attend and attendance was low.¹⁸ However, the Coalition remains convinced that "mandatory debtor education is wrong headed, even though we have ourselves experienced substantial difficulties in getting debtors voluntarily to attend financial education classes. Experts on adult education recommend against requiring adults to learn anything they do not want to learn." (Block-Lieb et al., p. 523). A second difference is that the pilot projects are conducted in groups rather than individually as is the common practice in Canada. Karen Gross explained that she thought group sessions were particularly important because peer interaction provided a legitimacy and relevance that a one-person counsellor-debtor session might lack. Yet another difference is that the pilot project sessions touch on the "psycho-social" dimension of personal finance, an area that is considered particularly important. By the "psycho-social dimension", the Coalition means the societal and familial norms that might influence financial decisions and psychological traits that might incline some people to overspend.

While the Coalition strongly believes that the course they designed for the debtors in bankruptcy would be effective and beneficial, they recognize that such theoretical beliefs should be empirically tested. To that end, they incorporated an empirical evaluation into the

¹⁷ This contrasts with the view, which I often heard both in Europe and in Canada, that debtors in bankruptcy are under such stress that their ability to absorb new information is extremely limited.

¹⁸ An obvious complicating factor here was that the first classes were scheduled to occur on September 13, 2001 only two days after the attack on the World Trade Center.

pilot project.¹⁹ The basic result was that those who participated in the classes showed a modest but statistically significant gain in their knowledge of financial matters compared to the comparison groups. Since there were important (albeit unavoidable) methodological issues with this evaluation, it should be seen as suggestive of the value of financial education for bankrupts rather than as definitive evidence.

What can be learned from the experience of other countries with debt counselling?

First, there is a great need in Canada for a rights-based debt counselling service. While the creation of such a service would need to involve government agencies other than the Office of the Superintendent of Bankruptcy, it is clear that the evolution of the financial services industry has created a need for debt advice not only within bankruptcy but also outside of it. Overindebted individuals in Canada have no access to an independent body that can recommend the best course of action. Bankruptcy trustees and credit counselling agencies *might* act as “honest brokers” (and perhaps often do) but, given their financial interest in particular courses of action, debtors cannot be sure that they are receiving impartial advice. The way in which MABS was created is perhaps the way for Canada to move forward. Pilot versions of debt advice centres could be established in several areas and their operation could be carefully evaluated. This would be a low-cost, low-risk way to test the need for such a service.

Second, bankruptcy counselling should not be mandatory. There was simply no support for this idea in any of the interviews that we conducted. It was recognized, however, that voluntary counselling would be poorly attended and therefore not utilized by a wide population. One option, suggested by Karen Gross, is to “incentivize” the counselling by offering some sort of reward for completion of the course. The reward could be financial or it could be “in kind” perhaps in the form of a faster discharge.

Third, the educational focus of the Canadian counselling may be misplaced. In operation, many counselling sessions deal more with the process of bankruptcy than with the educational issues specified in the legislation. Even if the teaching of those issues could be enforced, most of those we interviewed believed that the pressing need of the debtor for a resolution to their debt problems would make any preventative education infeasible. That said, Karen Gross (and her colleagues in the Coalition for Debtor Education) believes that it *is* possible to achieve educational goals within the bankruptcy system. Moreover, the fact that debtors who participated in the Coalition’s financial education classes had greater financial knowledge than the control groups provides at least a glimmer of hope that she is right.

¹⁹ See Wiener et al. (2005).

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