

JOINT DEBT ADJUSTMENT PROGRAM TO HELP YOUNG ADULTS STRUGGLING WITH MULTIPLE DEBTS

The FSC and the Ministry of Education signed an agreement with the Korea Student Aid Foundation (KOSAF) and the Credit Counseling and Recovery Service (CCRS) on November 22 to set up a joint debt adjustment program and help relieve debt burdens of young adults who are struggling with multiple debts.

The agreement introduces a joint debt adjustment program which will help young adults struggling with multiple debts (including student loans) by allowing debt cancellation of up to 30 percent off the principal and installment payment of maximum 20 years. As a part of the agreement, the KOSAF newly joined the CCRS's pact for credit recovery support to make student loans eligible for debt adjustment program managed by the CCRS. Thus, the joint debt adjustment program provided by the CCRS will handle both student loans and other types of loans of vulnerable young debtors.

From 2022, the authorities expect that some 20,000 young adults who are struggling to pay off student loans will benefit from this program every year.¹ The joint debt adjustment program will provide meaningful assistance to young adults facing the burden of multiple debts.

#

For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ About KRW100 billion in principal