



PRESS RELEASE

AZ holding publish the new debtor identikit

The presence of real estate assets increases amicable collection by 55%

32% of insolvent debtors, related to unsecured loans, owns real estate

Milan, 25 May 2015 - Recover an unsecured loan to a debtor who owns real estate is easier therefore, the presence of real estate assets increases amicable collection by 55%.

The study, based on data collected in the last half of 2015, reported the following main changes on the debtors cluster analyzed:

- almost half of debtor properties are encumbered, therefore on small-mid size tickets the best collection approach is out-of-court
- on insolvent debtors on unsecured loans 1 out of 3 insolvent debtors owns real estate

The study shows that almost 70% of the sample is over 50 years old, the age group with the most personal assets. Owners under 30 are only 2% of the sample, confirming the ongoing difficulty this age group has in accessing the real estate market and dispose of personal assets

Employees and retirees make up 78% of the property owners. This statistic reflects the greater ease of access to property finance for this category.

Another interesting result is the following one: 44,3% of insolvent debtors who own property have an income below 1000€ per month. We expect this figure to rise as the property market conditions improve and also thanks to two new entry points: rent to buy and real estate leasing contracts

The sample shows that the majority of properties are encumbered and the vast majority of encumbrances are judicial. This percentage is systematic of the cluster of insolvent debtors under analysis.

Owning real estate is therefore a key element on which to build tailored collection strategies, which applied to this sample delivered a collection improvement of 55%.

The sample shows a significant percentage difference in collected amounts between those who own and those who don't own property. The sample shows the trend of percentage of collected amount according to entrusted ticket size. Even on smaller tickets (under 15,000€), registered property at the cadastre has a positive influence on the collection process.



In conclusion based on the sample analyzed, collecting on debtors who own the home in which they live yielded a 6% return versus a 3,98% collected amount on those with no property, thanks to sensitivity to the risk of losing one's home even in the amicable collection phase. In the definition of a recovery strategy it is important to know the real estate assets of the borrowers in order to maximize the success of the performance.

Link at the study:

http://www.azholding.it/wp-content/uploads/2016/05/Debtors-Identikit_-Final-ENG.pdf

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