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# System for Monitoring Borrowers Important for Bank Card Loans in Decline due to Corona Disaster

*During an economic downturn, it is necessary to pay close attention to trends in funding needs accompanying decrease in income.*

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## Summary

- **Overall Trends:** The outstanding balance of bank card loans and other loans has continued to decline as a result of voluntary regulation by the Japanese Bankers Association and activities of the Financial services Agency, including the results of the agency's fact-finding survey. In addition, as the Corona Disaster continues, the outstanding amount in bank card loans has declined at a faster pace due to a decline in individual demand for funds caused by stagnant consumer spending. It should be noted, however, that during periods of economic stagnation, demand for funds to compensate for the shortage of funds for living expenses will increase.
- **Trends by business category:** The recent decline in the outstanding balance of bank card loans has been attributable to a marked decline in the outstanding amount of bank card loans and other loans by city banks and other major banks, which have a large outstanding balance of loans. On the other hand, there are also a number of banks, especially regional banks, which have greatly increased their loans to consumers, including bank card loans.
- **What to watch out for in the future:** In the current Corona Disaster situation, there are banks that have been offering consumer loan products with preferential interest rates to help people with their daily life needs, targeting "households affected by COVID-19." However, it is difficult to predict the ability to repay loans in the future with the uncertain income situation due to the Corona Disaster. The system for monitoring borrowers after lending is therefore important.

Attention

This report is a summary translation. The official document is only in Japanese.