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Household debt burden worryingly large – we must take a variety of measures to guard against the risks

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Finnish households are carrying a worryingly large amount of debt. Housing loans and housing company loans have become more common and larger, and their repayment periods have become longer. In addition, the supply of consumer credit has become broader and more varied. High levels of household debt can make a downwards spiral in the economy worse, if economic growth slows substantially or interest rates rise. We need to take steps in advance to prevent excessive household debt. A debt-to-income cap would complement the protection provided by the current loan-to-collateral cap on housing loans.



Keywords

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