Question for written answer E-001304/2015
to the Commission
Rule 130
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Subject: Release from toxic loans and protection of local authorities against them

The Swiss Central Bank's decision to allow their currency to fluctuate, which was followed by the Swiss franc's appreciation, has resulted in a significant increase in the interest rates of loans indexed in Swiss francs. For the 1 300 local authorities that have signed up for these 'toxic' loans, with their fluctuations and interest rates hidden from borrowers, the risks posed by these loans have become apparent once more: some interest rates have risen to 30 % or even higher.

It is crucial for local authorities that provide the public with essential services to be able to continue to provide those services without facing external pressure in managing them. However, release from those 'toxic' loans should not place an additional burden on French public finances, which has been taking over such bonds following the collapse of Dexia and is already facing major budgetary pressure.

1. Does the Commission feel that the massive bond buyback plan announced by the ECB could be used to help those local authorities through the take-over of the aforementioned bonds?

2. Could European rules on protecting investors, including rules on revealing essential information to investors, be invoked to legally challenge investment banks which put those financial products on the market and which benefit from hidden yields?