Question for written answer E-001720/2015
to the Commission
Rule 130
Patrick Le Hyaric (GUE/NGL)

Subject: Exiting from toxic loans and protection of local authorities

The decision of the Swiss bank to let its currency float, which led to an increase in its value, caused a large rise in interest rates on loans indexed to this currency. For the 1 300 local authorities which took out ‘toxic’ loans with rate fluctuations hidden from borrowers, the danger of these loans has once again been confirmed, with some rates rising to 30% or even more.

It is vital that local authorities, which provide essential services to the population, are able to continue to provide these services without coming under outside pressure in managing them. Exiting from these ‘toxic’ loans must not however increase the burden still further on the finances of the French state, which took on these commitments following the collapse of Dexia and is already under heavy budget pressure.

Is it the view of the Commission that the mass debt repurchase plan agreed by the ECB can be used to help these authorities by taking on these commitments?

Can the European rules on investor protection, particularly those on disclosure of information essential to the investor, be invoked to sue the investment banks which sold these financial products and which benefit from hidden yields to the detriment of public authorities and the population?