Question for written answer P-010702/2012
to the Commission
Rule 117
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Subject: Commission decision to close down Crédit immobilier de France and make all its 2600 employees redundant

At a sitting of the French National Assembly, the Minister for Economic Affairs and Finance publicly announced that the Commission was making its approval of a state guarantee to Crédit immobilier de France (CIF) – a bank which specialises in helping low-income families get on the property ladder – contingent on the closure of CIF, which would result in all 2600 employees losing their jobs.

Founded 100 years ago, CIF helps low-income families and first-time buyers secure decent and affordable housing. As it does not accept deposits, CIF has to refinance itself solely on the financial markets. Following the sudden downgrading of its rating, the bank is now facing a liquidity crisis, even though it has EUR 2.5 billion in equity and a solvency ratio of over 14 %.

The French Government has taken urgent measures to provide guarantees for CIF, in an effort to prevent the bank from folding. Nevertheless, many concerns remain to be addressed, particularly the difficulties low-income families have in buying property, given their increasing exclusion from the mortgage market by commercial banks, and the Commission's decision to force CIF to cease trading in exchange for approving a guarantee.

Given that an ever increasing number of commercial banks have secured approval for similar rescue measures,

1.   what is the legal basis for the Commission's decision to put an end to CIF's work of providing mortgages to people on low incomes who want to buy property?

2.   what alternative ways would there be of continuing CIF's socially beneficial work, given the reluctance of commercial banks to extend loans to low-income families and in the light of current EU law, particularly Articles 14 and 106(2) of the Treaty on the Functioning of the European Union, which deal with services of general economic interest?