

Question for written answer E-002620/2024

to the Commission

Rule 144

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Subject: Non-performing loans and auctions in Greece

In Greece there is a problem with the administration of justice in respect of non-performing loans and auctions. Auctions are going ahead despite serious cases of pending legal action without a (legally possible) assertion of defence by the borrower, such as their opposition to a payment order, opposition to garnishment, opposition to auction and any disputes arising from pending action against funds. Law No 4335/2015 repealed Article 938, a basic defence instrument for borrowers. Subsequently, various combined laws essentially kept the problematic provisions.

Borrowers are losing their assets despite the existing pending legal actions. The justification being given is that if after a number of years borrowers win the pending lawsuits then they will be entitled to recover any losses made in full. This is difficult to implement in practice because, having already handed over their money, a successful bidder in an auction is automatically in a position of strength, creating a *fait accompli*.

It is worth emphasising that a major cause of the problem is the combination of the increasing interest on mortgages resulting from the ECB's policy, high inflation, and energy prices.

In view of the above:

1. Given that Greek borrowers are seen as strategic defaulters when inflation and unfairly high interest rates are putting a strain on them, with what political initiatives does the Commission consider to have compensated them or is it planning to compensate them?
2. Given that the legal status quo favours funds over citizens, does the Commission plan to support a complete ban on all auctions until a final decision has been reached on a borrowers' objections?

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