



**EUROPEAN CENTRAL BANK**  
**EUROSYSTEM**

**ECB-PUBLIC**

*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Notis Marias  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 2 May 2016

L/MD/16/215

**Re: Your letter (QZ-025)**

Honourable Member of the European Parliament, dear Mr Marias,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 10 March 2016.

Euro area credit institutions are free to decide on the possible issuance of asset-backed securities based on non-performing loans (NPLs) and on their usage. In order to be eligible as collateral for Eurosystem monetary policy operations, asset-backed securities based on NPLs would need to fulfil the current eligibility requirements and be assessed on a case-by-case basis. I would like to point out that it is entirely up to Greek credit institutions – to which you refer in your letter – to decide, on a purely commercial basis, which tools they utilise in the process of NPL resolution. Moreover, there is no specific requirement in the Memorandum of Understanding (MoU) with Greece<sup>1</sup> that forces Greek banks to sell their NPLs. The MoU requires that a framework be provided that allows banks to sell loans if they see fit. The aim is to give Greek banks all possible tools available to reduce the high level of NPLs to a sustainable level.

Yours sincerely,

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<sup>1</sup> The document is accessible at  
[http://ec.europa.eu/economy\\_finance/assistance\\_eu\\_ms/greek\\_loan\\_facility/pdf/01\\_mou\\_20150811\\_en.pdf](http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/pdf/01_mou_20150811_en.pdf)

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[signed]

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