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Protests By Unhappy Mortgage Holders Rock Moscow Banks

By The Moscow Times

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Foreign-currency mortgage holders launched a series of protests against Moscow banks this week, demanding a discount on their mortgage payments that have increased dramatically in tandem with the weakening ruble.

On Tuesday a group of people rushed into a Raiffeisenbank office and demanded that they be allowed to pay back their mortgages at the rate of 40 rubles per dollar instead of the current 78 rubles per dollar rate, the Dozhd TV channel reported on Tuesday.

Management refused their demands, offering mortgage holders the option of postponing their payment deadline or giving their apartments to the bank as payment.

Another incident occurred on Wednesday in a Delta Credit bank branch. More than 200 mortgage holders flooded the premises, demanding that their mortgages be renegotiated, The Insider news website reported.

Many banks attracted clients to mortgages denominated in dollars or euros with attractive rates. Foreign-currency mortgage holders held several high-profile protests in Moscow last year, including outside the Central Bank and on Red Square.

President Vladimir Putin told members of Russia's Human Rights Council in October 2015 that foreign-currency mortgage holders made a decision to risk currency fluctuations when they took out their loans, but said that the state should step in to help avoid “extreme situations.”

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