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Russian Bank Says Nothing to Be Done for Foreign-Currency Mortgage Holders

By The Moscow Times

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One of the largest Russian banks to offer hard-currency mortgage loans has said it cannot help clients struggling to service debts after new falls in the value of the ruble.

Hundreds of borrowers have protested in recent weeks demanding debt relief as the Russian currency touched record lows against the dollar, raising the cost of repayment.

But Denis Kovalev, deputy board chairman at DeltaCredit bank, on Thursday said their demands could not be met. "Before we lent the money, we borrowed that money in the same currency," he said, according to the RIA Novosti news agency.

"The bank has employees that also have families, clients that trusted us with their money, [and] investors that also employ people and to whom we have obligations," he said.

Thousands of Russians took advantage of lower interest rates on dollar- and euro-denominated home loans, but have seen repayment costs spiral as the ruble halved in value

over the past 18 months.

Police dispersed dozens of mortgage holders blocking Moscow's central Tverskaya Ulitsa on Wednesday. Groups of borrowers have also protested at banks including DeltaCredit, which is owned by French banking group Societe Generale.

Earlier, Kremlin spokesman Dmitry Peskov told reporters that while authorities are aware of the suffering of mortgage holders, there are no easy solutions. The government is facing a huge shortfall in tax revenue due to low oil prices and an economic slump.

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