



EUROPEAN CENTRAL BANK  
EUROSYSTEM

*COURTESY TRANSLATION*

Mario DRAGHI

*President*

Mr Kostas Chrysogonos  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 15 December 2014

L/MD/14/529

**Re: Your letter (QZ31)**

Honourable Member of the European Parliament, dear Mr Chrysogonos,

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 28 October 2014.

The ECB's decision to apply special conditions to the purchase of asset-backed securities and covered bonds originated in Greece and Cyprus reflects monetary policy and risk management considerations motivated by the fact that these assets do not fulfil the eligibility criteria.

The objective of the purchase programmes is to enhance the transmission of monetary policy and facilitate credit provision to the euro area economy, thereby easing the ECB's monetary policy stance. It is therefore desirable that the programmes encompass the entire euro area. As no assets from Greece and Cyprus currently meet the minimum rating requirements for the Eurosystem's purchase programmes, the Governing Council has defined an additional set of conditions for assets originated in these countries in order to achieve risk equivalence.

The requirement of compliance with an appropriate European adjustment programme is analogous to that applied in the suspension of the minimum credit rating threshold for collateral eligibility of assets issued or guaranteed by the Greek or Cypriot state. It ensures that the Governing Council remains in a position to

assess the creditworthiness of the sovereign as an issuer and guarantor of assets. The latter is considered relevant also for the eligibility of assets for outright purchases.

Yours sincerely,

[signed]

Mario Draghi