



**Registry of Credit Unions  
Central Bank of Ireland  
PO Box 559  
Dame Street  
Dublin 2**

**26<sup>th</sup> February 2015**

**RE: Consultation on Regulations for Credit Unions on the commencement of the remaining sections of the 2012 Act**

**To Whom It May Concern,**

We refer to the Consultation Paper CP 88 published in November 2014 and we herein wish to make the following comments:-

**Section 6. Liquidity**

As Clients of Davy we have been privy to their submission to the Central Bank of Ireland on CP 88. Having read and reviewed the contents therein we have agreed as a Board to endorse their constructive recommendations, observations and comments on the Liquidity section.

**Section7: Lending**

**7.2.5 Related party lending**

*The draft regulation defines related party as; a member of the family of a member of the Board of Directors or the Management Team of the Credit union and will be subject to individual prior approval in writing by the Board of Director of the Credit Union or Sub- Committee of the Board of Directors.*

We are of the opinion that including family members as related parties in the above instance would appear to be seen as inequitable to them as members of the Credit Union.

**Section 8: Investments**

As per the Davy submission we have agreed as a Board to endorse their constructive recommendations, observations and comments in the investment section of the draft regulation.



## **Section 9: Savings**

### **9.2.2 Maximum savings**

While this Credit Union endorses the limit of €100,000 per Member savings we are of the opinion that “grandfathering arrangements” should be put in place for existing members with shares in excess of the limit. It would permit the reduction of shares in a more natural curve as opposed to a sharp reduction of shares and perhaps giving the members cause for concern about the financial position and viability of the Credit Union. There is also the issue of older members who have traditionally used the Credit Union for savings and who do not use Banks; we must consider the impact the request to withdraw their savings would have on these type of members.

If the “grandfathering arrangements” is not an option we would suggest that the transitional period of six months would be extended to twelve months as we consider six months is too short of a time frame to be compliant.

We thank you for affording us the opportunity to make the above submission and welcome the overall proposed strengthened regulatory framework for Credit Unions.

Yours faithfully,

Marie Brady

Marie Brady  
Chairperson