



Central Bank of Ireland
PO Box 559
Dublin 1

9th January 2019

CP125 – Consultation on Potential Changes to the Lending Framework for Credit Unions

Dear Sir / Madam,

The Insolvency Service of Ireland (ISI) was established under the Personal Insolvency Act 2012. The role of the ISI is to restore insolvent debtors to solvency in a fair, transparent and equitable way. The ISI welcomes the opportunity to contribute to this consultation CP125 on Potential Changes to the Lending Framework for Credit Unions.

The ISI notes that the purpose of the consultation is to seek views on potential changes to the lending framework for credit unions along with associated risk and Asset and Liability Management (ALM) considerations. While we acknowledge that section 9 provides a summary of the areas where the Central Bank is seeking views, we would like to make the following general points in respect of the consultation paper:

- The ISI is supportive of a lending framework which seeks to ensure that Credit Unions can offer appropriate resolutions to borrowers that may find themselves in arrears and that borrowers are dealt with in a fair and transparent manner for both secured and unsecured debt. The ISI requests that any potential change to the lending framework be cognisant and not conflict with the ability of a Personal Insolvency Practitioner (PIP) to propose a term extension for example to restore an individual to solvency through a statutory personal insolvency solution
- The ISI welcomes further engagement with both the Central Bank and Credit Unions in respect to creditor obligations under the Personal Insolvency Acts 2012-2015. In particular, the ISI would consider that further discussion would be beneficial to explore the impact of potential changes to the lending framework for Credit Unions vis-à-vis the expertise and systems required for the management of statutory personal insolvency solutions

If you have any queries in relation to these comments or would like to discuss, please feel free to contact me.

Yours sincerely

Dr. Cormac Keating
Head of Policy, Regulation and Corporate Affairs