

Registry of Credit Unions
Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1

Tuesday, 11th February 2025

RE: CP159 - Consultation on Proposed Changes to the Credit Union Lending Regulations

Dear Sir/Madam,

The Board of Directors at Lifford Credit Union welcome the proposed changes to the Credit Union Lending Regulations. Currently we offer both Home Loans and Cultivate (farming commercial loans) and are restricted at 10% of our assets for both offerings. We are fast approaching our limit for the same which is circa €7.6m. We currently have issued 79 Business loans and 24 Home Loans with another 6 Home loans receiving a letter of offer.

We have had a lot of interest in the Home Loans and Cultivate. Due to restrictions we have had to implement a wait list to ensure that we have available funds within the current restriction.

An increase in the lending of home loans to 30% would result in an additional circa €17.5 million which we could lend to our members seeking mortgages and an additional €5m for commercial lending, dependent on available capital.

Offering Home Loans and Cultivate has helped us to grow our loan book, alongside an increase in personal lending. The proposed changes would allow us to continue to grow our loan book and LTA ratio. It would also assist in our strategic objectives and planning of the same for the future. Our lending procedures have ensured that we retain over and above the requirement of provisioning. The loan arrears over 10 weeks have remained less than 5% despite increase in lending.

This change would allow us to diversify our loan book further. We have found that our members have been responsive to the new product offerings. There are no 'pillar' banks physically within our common bond. Allowing access to more credit within this area would be of huge benefit to the locality.

Although we believe these proposed changes would be beneficial to Lifford Credit Union we are also aware that the proposal of 10% of assets for commercial lending may be restrictive to the larger Credit Unions who previously could offer up to 15% (without offering home loans)

I trust the Central Bank of Ireland will review the restriction in a positive manner and enable Lifford Credit Union to help our members with their financial requirements.

For and on behalf of the Board of Directors,

Mark McClay