

28th January 2009.

Consumer Protection Codes Department
Financial Regulator
P.O. Box 9138
College Green
Dublin 2.

Re: Submission to Financial Regulator
Consultation Paper 35

Dear Mr. Sisk,

Having read the Consultation Paper 35 Leixlip & District Credit Union would like to submit our observations and comments on three areas in particular that we would like clarified.

3.2.(i) In this section it is stated that a written statement would be given to the member setting out the reasons why the loan is being offered. We would like clarification on the reason why statement and maybe an example of what format you would consider this statement should take. Are we talking here of a suitability statement for example a statement stating “that having assessed the application based on the financial ability to repay the loan that the product we are offering is suitable for the member because it reflects what they have told us”.

3.3.(i) Debt Consolidation

This area we consider is the most difficult area to implement for the following reasons. Members are coming to the Credit Union to consolidate debts where they are being charged very high rates of interest, hidden charges, penalties in relation to late payments, fees etc. We would consider that the facilities and the tools available to us would not allow us give a fair comparison. Depending on this information from the member would also not provide a fair and accurate comparison. The level of administration work involved in this would be substantial.

3.4.(i) Arrears and Guarantees

We would like to query this section as at present if there are changes to the term of the loan a new loan agreement is issued and it is mandatory that the guarantor would always sign the new agreement along with the member. Therefore we cannot see why we would be notifying the Guarantor in writing.

We would like to thank you for the opportunity to submit our views on the consultation Paper. If any of the above points are unclear please do not hesitate to contact us.

Many thanks.

Yours sincerely,

Pauline O'Flanagan

Leixlip & District Credit Union