

## **Re:- Introduction of a Tiered Regulatory Approach for Credit Unions**

I am aware that both CUMA and CUDA will be making submissions on the above following consultation with their respective members, including Bray Credit Union. However, we are putting some brief thoughts forward from our perspective and in addition to the other submissions:

(1) Do you agree with the submission?

No as it ignores the intention of the Commission on Credit Unions Report. What is the decision making process behind CP76 as opposed to the three tier structure of the Commission? All credit unions automatically default to category 1, could this be altered and all credit unions automatically default to category 2 and apply to become a category 1 if that structure is more in line with their business plan.

(2) Do you agree with the 2 tier approach?

No as it seems to be more restrictive instead of enabling credit unions to grow. Question mark over the future viability of Category 1 credit unions. What incentive would members have to remain with a Category 1 credit union?

(3) Additional Services

Yes credit unions should have the ability to provide new additional products, however the provision of these products should not be reliant on the category of the credit union but rather that the product offering is viable and relevant to the members.

(4) Provisioning framework developed?

There is an existing provisioning framework in place. Clarification would be required as to why this framework is considered to be underperforming and not functioning adequately.

(5) Timing of tiered approach

Not at this time and in this format. Clarification would be needed as to the exact criteria required to become a Category 2 credit union.

We appreciate that this paper is only a consultation paper at this stage and would value any further engagement regarding the thought processes behind it.