

New Ross Credit Union Ltd.

26 SOUTH STREET, NEW ROSS, COUNTY WEXFORD
DX 37007 New Ross

www.newrosscreditunion.com
Phone (051) 421143 - Fax: (051) 421123

Email: info@newrosscreditunion.com
Ramsgrange Office (051) 389655 Friday only



Registry of Credit Unions
Central Bank of Ireland
PO Box No. 559
Dame Street
Dublin 2

24th March 2014.

Re: Consultation on the Introduction of a Tiered Regulatory Approach for Credit Unions

Dear Sirs,

We refer to recently published Consultation Paper CP 76 re: Consultation on the Introduction of a Tiered Regulatory Approach for Credit Unions.

The Board of Directors of New Ross Credit Union at a specially convened Board meeting held on the 3rd February 2014 discussed the issues raised within the document and wish to highlight the following areas of concern:

1. Savings – the limit for Category 1 credit union to offer savings up to the lower of €100,000 or 1% of the credit union's assets. The Board views this as restrictive as the cap on Savings may inhibit the growth of the Credit Union. It may also impact on Member confidence, particularly those Members who have saved regularly with the Credit Union over a number of years and who may be forced to withdraw their savings from the Credit Union.
2. Investments – Category 1 credit unions will be able to invest in bank deposits, Irish and EEA State Securities and the shares and deposits of other credit unions with a maximum duration of five years.

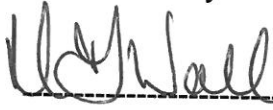
The current Central Bank Guidance Note allow credit unions invest in collective investment schemes - this proposal would exclude credit unions from collective investment schemes and thus therefore reduce counterparty spread and the potential return received on investments.

The maximum duration of five years for Category 1 credit union will result in credit unions not being able to purchase government bonds with more than five years to maturity which will make it restrictive in the type of government bond a credit union may purchase.

The Board view the proposals where up to 50% of the total value of a Category 1 credit union's investment portfolio can be in investments maturing after three years as leading to a reduction in our investment returns due to the time frame involved.

3. Liquidity – it is proposed that the assets of a credit union to be held in liquid form will be at least 10% of unattached savings available up to seven days and up to 15% of unattached savings available up to one month. This proposal would affect investment returns as a greater proportion of a credit union's investment portfolio would have to be held in short term deposits. This coupled with the exclusion of collective investment schemes could have a potential impact on investment returns.
4. Lending – Restricted Person Limit. The definition of restricted person is very wide ranging.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Marie Therese Wall', written over a horizontal dashed line.

Marie Therese Wall.
Honorary Secretary
New Ross Credit Union Limited