

Rathkeale and District Credit Union Limited
Main St
Rathkeale
Co Limerick

30/03/2014

Response to--- The Introduction of a Tiered Regulatory Approach for Credit Unions
CP76

The board of Directors of Rathkeale and District Credit Union Limited wish to make the following submissions on sections of the above named document

Section 5.1.1

- Governance and Fitness and Probity is acceptable
- Liquidity ---- due to lack of detail cannot be evaluated. Existing system is satisfactory.
- Investments—restrictions in possibilities for investment is not acceptable as it may restrict competition and could have negative effect on finances of the state.

Section 5.2.2

- Concentration limits are too low. Community loans and commercial loans cannot be compared as they are entirely different. This proposal inhibits lending rather than supporting well founded and balanced initiatives and is unworkable.

Section 5.2.4

- We object to this proposal as it will affect boards, staff and their family numbers. It will impede the attraction of volunteers. The proposals are inequitable and probably unconstitutional.

Section 5.2.6

- Lack of information to comment.

Section 5.3

- This proposal will lead to a reduction in income for the credit union.

Section 5.7

- There will be significant additional costs to the credit union if they have to employ dedicated persons for specific functions and this will prevent credit unions from moving from category one to category two. The added costs cannot be justified for the additional services being provided.

Section 7.1

- We do not agree that that the proposed tiered regulatory approach should be introduced at this time. The far reaching regulatory requirements of the Credit Union Act are at present being implemented and will take some time to embed. New proposals should not be introduced in the short term as proposed in the document.

Richard Naughton (Chairperson)