



## **SHEEPHAVEN CREDIT UNION LIMITED**

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Central Bank of Ireland  
PO Box 559  
Dame Street  
Dublin 2

### **Introduction of a Tiered Regulatory Approach for Credit Unions**

Dear Sirs

Having scrutinised the above document, we set out below our reservations and concerns where we feel that the proposed changes would impact negatively on our credit union and indeed credit unions in general.

#### **5.2 Lending**

**5.2.2 Commercial Lending.** We are based in a farming community and many of our loans are to farmers, and as such, would be classified as commercial. Restricting commercial lending to 25% of regulatory reserves would place us at a great disadvantage.

**Proposal:** Commercial lending, other than lending for farm purposes, is restricted to 25% of regulatory reserves.

**5.2.4 Restricted person limits.** We feel that classifying a member of the wider family of a board member or member of the management team as a restricted person is far too wide a definition and totally unworkable. **We are of the strong opinion that board and management team members or their families should not be treated any different to other members.** There are many checks, including compliance, internal audit and external audit to ensure that no abuse is tolerated here.

**Proposal:** Retain the present framework where officers' loans must be approved by a special committee

#### **5.3 Investments**

We feel that the existing framework for investments is adequate and working well. The additional restrictions proposed are unnecessary and would place category 1 credit unions at a further disadvantage.

Yours faithfully

Richard Hunter, Chairperson