Dear Sirs,

We welcome this opportunity to make a submission in respect of CP88.

We list below the areas on which we wish to comment.
We also attach a submission made by Goodbody's, who we employ as investment consultants, and whose comments we endorse. In particular we feel:

1. The risk that the CP88 acceptance in its present form would see the employment of a one size fits all approach to regulation. Clearly the sector is not in this situation – as can be experienced by the central bank when applying the current regime of PRISM visits and monitoring – which presumably is working satisfactorily.

2. The introduction of the 8 days or less for 10% of investment, in our opinion, is extreme in global regulation, micro-managing in style and costly in nature. It may seem appropriate at the moment but the fact is that interest rates are falling and not only could we lose about €40,000 in these low interest times, that could turn into multiples of that when the rates start to increase.
   Another point in this regard is that due to the possibility of negative interest rates, it could result in a cost to the members. We feel this is in contravention of the central banks own core principle of securing members' savings.

3. We feel the maximum of savings at €100,000 is inappropriate across the board of credit unions. We have very few members with over €100,000 but those that do have in a rural environment an affiliation to the credit union and a loyalty to provide funds for lending to others in the community. This could be damaging reputationally but also unsafe to return a large sum of money where the member may not have a relationship with another institution.

   other points from the Consultation Paper are:

4. A further point in relation to the "8 day of less" proposal for short term funds. Under the new FRS102, Bonds will be carried at market value. Because Bonds are easily liquidised we suggest they be included in the 10% figure of investments.

5. From a lending point of view, we suggest that the limits on lending be increased to 40% over 5 years and 20% over 10 years, particularly in light of the current trend of early repayment of loans. This would allow us to lengthen our loan book duration.
   This might include the option of giving mortgages as a percentage of our lending. The banks can currently give a mortgage of up to 35 years. We feel the credit union should have the same advantage.

6. We feel that the term for bonds held should be extended to 15 years to cover investments that may be appropriate to our needs.

regards

Matt Heslin
CEO Kilrush Credit Union
On behalf of the Board of Kilrush Credit Union