



Lending

7.2.1 Housing Loans: The requirement for a first legal charge could be prescriptive, particularly so as credit unions would be well placed to provide additional funding to support substantial home improvements/renovations where a first legal charge may already exist in regard to a primary lender. This could result in the exclusion of credit unions from this market segment.

7.2.3 Large Exposure Limit: In stating that the proposed new regulation would restrict lending to 10% of the R.R. we would suggest clarification of whether this relates to the actual amount of the statutory reserve held in money terms or whether it relates to 10% of your assets (statutory requirement). We would suggest that the rationale behind these figures be explained.

7.2.4 Maturity of Lending: We would suggest that in view of the changing mortgage market, that the lending limit of 25 years is not an adequate time for this category of lending. We are suggesting that mortgage lending should be covered in a new separate regulated category and also this means that we could retain the status quo in regard to the current lending regulations.

Savings

9.2.2 Maximum Savings: We would not agree with the proposal to restrict individual members' savings to €100,000. Credit Unions would be unique in the financial services sector with such a restriction. It could also generate confidence issues for the movement in that it makes the professional capabilities of the credit unions look amateurish, also an accumulation of the various types of savings held by a member in credit union could be easily surpassed and would require constant oversight. The fact this limit also matches the guarantee given to each depositor by the state also creates a poor image of the credit unions capabilities and doesn't reflect well on a movement with over €2.0 Billion in capital.

11.3.1 Reporting & Disclosure in the Annual Accounts : We would suggest greater clarification of the requirements for disclosure of the performance of a credit unions loan book in its annual accounts. This measure could also result in giving a local competitor an insight which could make us more vulnerable to outside challenge. This could also create a lot of inward looking by our own membership which would not necessarily be positive.