

Buncrana Credit Union – Response to CP 93

5.1 Reporting of CIS (“subjects” i.e. C.U. members) to the CCR

Q1. We would favour a phased approach to the implementation.

Q2. We suggest that associations, clubs and groups be excluded, as the cost and difficulty of collecting, recording and reporting such data would far outweigh any potential benefits.

Q3. If the CCR had to cover all CIS immediately, we would be totally unable to provide such information (as it has not been sought historically nor is it deemed necessary).

Q4. In terms of lending to groups without specific legal status:

- a. We could not currently provide all the listed personal data (it was not deemed necessary in BCU and was not collected).
- b. We would not expect/ like to see such info on CCR reports.
- c. No. The cost/ difficulty far outweighs any benefit.
- d. Yes - to both questions here. Whilst there is a case for recording /reporting partnerships; there is none for clubs /groups.
- e. We see no real benefit in addressing this issue

5.2 Reporting by CIPs (Providers, i.e. Credit Unions) to the CCR

Q1. We favour a phased approach to the implementation. Whilst we note that banks and credit unions are to be phased in first, we would challenge that, given the scale of the potential specific problem for credit unions, plus the raft of regulatory changes already being faced by CUs.

Q2. Banks and credit card companies have huge resources; and could be phased in first.

Q3. Licensed money lenders should be phased in alongside credit unions . Such high-margin lenders, with exorbitant interest rates, should not receive more lenient treatment than credit unions.

5.3 Collection of Credit Application Data

Q1. Only relevant application data should be collected.

Q2. From our view point the issue of “real time” recording is quite unrealistic and would be of little significant benefit.

5.4 First point of Reporting of Credit Agreements to the CCR

Q1. At the point of loan drawdown all AML procedures would have been completed and I.D .checks verified.

Q2. We would not favour reporting to the CCR at an earlier point, since that would pose significant problems for us.

Q3. Reporting of undrawn committed credit facilities could have some value - but of doubtful benefit to us.

Q4. Ditto for non –utilised credit card facility approvals.

5.5 Extent of Historic Data to be collected

Q1. We note and accept Central Bank’s preference for Option B. Since CIP’s must supply all relevant data to the CCR, it would be virtually impossible for us to supply such data retrospectively (e.g. for 3

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years prior to 30th June 2015). Even in this Option (B), the data suggested may be excessive, intrusive and unlawful .

Q2. We do not have such historical data and it may well prove impossible to collect same from members in arrears.

Q3. Collection of historic data (e.g. for any past years) would be an intolerable, excessive and disproportionate burden on our C.U.

5.6 Single Borrower view –Accurately Identifying CIS’s

Q1. We consider the “personal information” set out in Appendix 1 to be excessive and intrusive –quite un-necessary for the purpose stated.

Q2. We do not store disproportionate, personal data. Such personal information, as set out in Appendix 1 is excessive. Indeed, under current Data Protection law, it may be illegal for us to obtain and/or store this information on a member. How could we force any individual to give us such personal info about his mother, place of birth and previous addresses?

Q3. If members already have a PPSN and must provide same to provide any credit, anywhere –even from moneylenders- then we could begin to collect same. Otherwise, this requirement may well drive some members into the tender mercies of moneylenders.

Q4. We would accept that, where possible, existing AML procedures could be the basis for CIS verification.

5.7 Collection of foreign Credit Data.

Q1. No - there would be no tangible benefit in capturing foreign credit data. We would use other E.C. agencies.

5.8 Collection of Guarantor Data.

Q1. We do not collect /store guarantor personal data. Such personal information has not been necessary, either for AML or for loan assessment /underwriting. We note your view that “the standard of personal information required.....is the same standard required for the matching of primary borrower records”. We would challenge your view; and simply ask “ Why?”.

5.9 Levies and Fees

Q1. We note that the CCR is intended to be self-financing. However, the introduction and scale of levies and fees should be based on the size and scale of the CIP (and the credit approved).

Q2. Given the nature of credit unions and the average loan size, it would be totally unfair to adopt a “one-size-fits-all” approach. (Some small and /or medium sized CU’s would be paying more than a huge multi-national bank or credit card company.) Since the use of the CCR is mandatory, a credit union would have no choice but to use it. Therefore a fair basis of cost-recovery must be developed.

Q3. A hybrid scheme for “self-financing” of the CCR could be formed, based on the size of the CIP, capability to pay, plus a very low “user fee” capped by the volume of small loans approved. Otherwise, there would be a totally disproportionate cost on CU’s. Another unintended consequence for Irish Credit Unions?