Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Credit Union News

Issue 13
October 2020

Welcome to Issue 13 of Credit Union News.
It has been a challenging period since our March 2020 issue with COVID-19 presenting unprecedented challenges for us all.

A Challenging Time

It has been a challenging period since we published our last Credit Union News in March with COVID-19 presenting unprecedented challenges for us all. It is commendable that all credit unions have continued to serve their members' needs in these difficult circumstances including ensuring continuity in provision of services to members. However, the commercial and resulting sustainability challenges, which pre-date COVID-19, have contributed to the imbalance between lending and savings that individual credit unions are continuing to experience. The economic outlook now presents further challenges arising from the expected downward direction of the economic cycle on foot of COVID-19 and other potential negative economic impacts arising from Brexit.

Strengthening Core Foundations

As highlighted in our PRISM Supervisory Commentary, published in September, strong core foundations across governance, risk management and operational capabilities will enable credit unions to continue to provide core services to members and undertake prudent business model development in line with their strategy, capabilities and risk appetite. Good governance and robust risk management are necessary and critical business enablers in this increasingly challenging environment. Coherent and considered strategic planning is required if individual credit unions are to address the commercial challenges they face.

It is concerning that we continue to identify fundamental weaknesses in some credit unions in areas including credit underwriting during our supervisory engagements. Remediation of these weaknesses is required to support business model development including increasing exposure to new types of lending such as house and commercial lending - further information on the 2020 PRISM Supervisory Commentary is set out on page 3.

In May this year, following engagement with credit union representative bodies, the Central Bank published the application form and an associated guidance note on the application process for the 15% Combined Concentration Limit for House and Business Loans. A key focus in assessing applications will be governance structures and risk management processes along with the need to see evidence of coherent strategic planning. Further details on the application process are provided in an article on page 2.

2020 Year–end and beyond

As credit unions move through the 2020 year-end process and beyond, identification and consideration of the key risks arising from both COVID-19 and Brexit will be a key focus. The COVID-19 shock has led to an abrupt and significant deterioration in the macro-financial environment, both in Ireland and internationally. The full macroeconomic effects of the COVID-19 shock still lie ahead and the degree of uncertainty over the macroeconomic outlook is unprecedented. With these challenges compounded by Brexit risks it is clear that many challenges lie ahead. As previously articulated, in this environment, it is fundamentally important that credit unions maintain a prudent approach to all aspects of their business including lending, investments, liquidity and capital, that is aligned with risk appetite and underpinned by strong governance, operational capabilities and risk management frameworks.

Patrick Casey
Registrar of Credit Unions

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Application process for the 15% Combined Concentration Limit for House and Business Lending

The Central Bank published the Credit Union Act 1997 (Regulatory Requirements) (Amendment) Regulations 2019 (the Amending Regulations) in December 2019. These Amending Regulations made changes to the lending framework for credit unions under the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (the 2016 Regulations) and took effect on 1 January 2020.

The changes to the 2016 Regulations introduced three new combined concentration limits, on a tiered basis, for house and business loans, expressed as a percentage of total assets.

Within these tiered limits, credit unions having total assets of at least €100 million for two or more consecutive quarters immediately preceding an application may apply to the Central Bank for a 15% combined concentration limit for house and business lending (the 15% Limit).

In May this year, following engagement with credit union representative bodies, the Central Bank published the application form and an associated guidance note on the application process and application form for the 15% Limit. These documents are available on the Central Bank's website.

The guidance note sets out details on the application process and how the Central Bank will assess a credit union's application. It also gives guidance on the information and detail the Central Bank expects credit union applicants to provide in, and with, a completed application form.

There are two formal stages in the 15% Limit application process:

Stage 1: Submission of Completed Application and Application Assessment; and
Stage 2: Approval/Refusal.

In advance of submitting a completed application form, the Central Bank recommends that a credit union discusses the proposed application with its supervisor in the Registry of Credit Unions, who may be in a position to identify issues that the credit union should address prior to completing and submitting an application, for example, progressing delivery on an outstanding risk mitigation programme. Where there are outstanding material risk concerns, the credit union may be required to provide an update on its progress.
The Central Bank is supportive of credit unions engaging prudently in house and business lending as part of a balanced loan portfolio. The provision of house loans and business loans is more complex than shorter term personal lending which to date, generally, has been the credit union sector's core credit offering. House and business lending activities present different risk, income and profitability profiles. Where credit unions wish to undertake increased house and business lending, it is important that they understand the risks involved. Please see here for guidance on long term lending.

Brexit

There remains considerable uncertainty around Brexit and the potential impact on the Irish economy. With just a number of weeks left until the end of the Brexit transition period, it is vital that credit unions ensure that they are adequately prepared for Brexit including the risks of disruptive frictions in the future EU-UK relationship. We have previously communicated our expectations regarding Brexit-related planning to credit unions through our supervisory engagements and various publications, and we expect that Brexit contingency planning will remain a key focus for the sector. Credit unions should continue to identify, monitor and action potential Brexit-associated risks and regularly review and monitor those risks already identified and recorded on their risk registers, ensuring that in all instances appropriate risk mitigants are identified and implemented.

Specifically, consideration of Brexit related risk should inform the following:

- Assessment of loan provisioning adequacy. Credit unions should ensure that they identify potential lending concentration risks within their loan books to those sectors that could be most affected by Brexit.

- Credit Union Distributions and Prudent Reserve Management. Credit unions must be cognisant of the significant risks posed by a potential disruptive Brexit, not only to their own business models but to the wider economic environment. Maintaining and building adequate levels of reserves, including adequate operational risk reserves, is key to ensuring credit union financial stability and resilience.

- Credit unions need to give consideration to the risks Brexit may pose to their credit union and what risk mitigants may be appropriate for their own business model and common bond. Credit unions should also be mindful of compliance with broader requirements such as GDPR if applicable.

Investments in UK Credit Institutions

We previously indicated that we were not expecting individual credit unions to take action at that time on investments with certain UK credit institutions that may no longer come within a permitted class of investment under the 2016 Regulations as a direct consequence of the UK withdrawing from the European Union. We now propose to put a transitional arrangement in place for such investments, if required, and will communicate with credit unions after the position on the UK exit is finalised and once we have made an informed decision on the treatment of the impacted investments.

Credit Union PRISM Supervisory Commentary Report

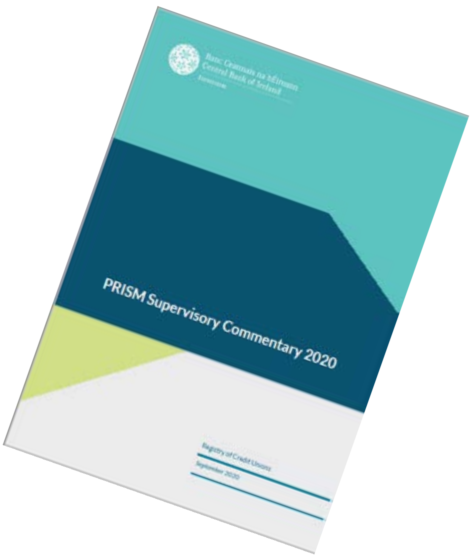
The fourth edition of the [Credit Union PRISM Supervisory Commentary Report] (the Report) was published on 8 September 2020. The purpose of this Report is to inform all credit unions on the nature and type of risks identified during Central Bank 2019 supervisory engagements, and related supervisory expectations in addressing such issues.

The Report provides an overview of the specific risk categories where issues were identified in credit unions during 2019 PRISM engagements based on almost 550 individual risk issues. Our analysis covers risks across governance, credit, operational risk, strategy/business model risk and investment, liquidity and capital risk.

This year's edition also sets out findings from more detailed IT risk assessments that were carried out, with the assistance of Central Bank IT risk specialists, in a number of larger credit unions as part of Full Risk Assessments in 2019, the findings of which will be relevant to all credit unions. This is particularly relevant as credit unions have become more reliant on increasingly complex IT systems and outsourced service providers to conduct their business and deliver services to members. Credit unions need to focus on developing capabilities to support more complex services and to effectively manage associated IT risks. Additionally, where credit unions have extended their processes in recent times, to facilitate remote working and/or to provide remote access of services to members, processes and controls, including security measures, should be reassessed and the associated operational risks managed accordingly.

While some credit unions have made progress towards addressing prudential concerns, it is a concern that we continue to identify weaknesses in core areas including credit underwriting – clearly, there is still more work to be done. Weaknesses were evident in a number of credit unions in each of the risk categories, including governance and credit underwriting. This is concerning at a time when the sector faces many challenges and when many credit unions have signalled their intent to change business models to allow for increased house and SME lending.

We expect all credit unions to consider and act on the findings presented in the Report as part of their own management and mitigation of ongoing risk.



Investment Template Return

In order to continue to examine the ongoing effects of COVID-19 and Brexit on credit unions we require targeted information to be submitted by credit unions.

On 22 September 2020, we issued a communication to all credit unions requiring the submission of investment related data by way of an Investment Return (the return). Credit unions were requested to complete the return and submit it by 21 October 2020 via the "Secure File Upload" facility to the Online Reporting System. An explanatory note was issued with the return to assist credit unions when completing the return.

The purpose of the return is to gather more detailed information on the composition of individual credit union investments than that provided on the quarterly Prudential Return submitted by credit unions. The return seeks a more detailed breakdown of investment portfolio/exposure held by the credit union. It seeks to gather investment exposures by counterparty, investment product and maturity profile.

Review of the €100,000 Individual Member's Savings Limit

Commitment to Review of Credit Union €100,000 Individual Member's Savings Limit

In the Feedback Statement on CP88, the Central Bank committed to undertaking a review of the continued appropriateness of the €100,000 individual member's savings limit, to be commenced within three years of the introduction of the regulations.

Overview of the Review

The Registry of Credit Unions has undertaken and completed a review of the €100,000 individual member's savings limit. This review was informed by data provided by credit unions in quarterly Prudential Returns and responses to a questionnaire issued to all credit unions in February 2019, which set out additional data on member savings.

Outcome of Review

Arising from the review the Central Bank has concluded that the €100,000 individual member's savings limit remains appropriate in order to ensure the protection of members' funds by credit unions and the maintenance of the financial stability of the sector, in line with our statutory mandate.

The decision to retain the savings limit has been informed by analysis of the profile of member savings and savings trends, the impact of restructuring, business model developments and the funding requirements of the sector.

Savings and membership have continued to grow since the introduction of the limit, largely driven by growth in small scale savings. It is also notable that savings inflows have been identified by the sector as a potential business issue given the backdrop of low demand for member loans with a large number of credit unions introducing their own savings caps.

As was the case when the €100,000 individual member savings limit was introduced, under the current credit union business model the need for credit unions to take in large scale savings from individual members has not been demonstrated. Despite the impact of restructuring on the number of larger credit unions in the sector, there has not been any significant divergence in the savings profile of larger and smaller credit unions, or in the funding needs of larger credit unions compared with smaller credit unions.

The Registrar has informed the Minister for Finance of the decision to retain the €100,000 individual member's savings limit. A copy of the Registrar's letter to the Minister outlining the rationale for the decision to retain the limit is available on the Central Bank's website here.

Credit Union Webinar

We are pleased to inform you that we are planning to host a Credit Union Webinar in November 2020 – replacing our physical attendance Information Seminars. A circular will be issued to all credit unions providing further details including an agenda and how to access the webinar.

This webinar will provide an opportunity for the Registry of Credit Unions to engage with credit union directors and management; to provide updates on the Central Bank's regulatory and supervisory work; and to hear your views on current issues.

Attendees at one of the 2018 Information Seminars.

2020 Financial Year-End

As credit unions approach the 2020 year-end, the Registry of Credit Unions acknowledges the very challenging environment which credit unions are continuing to experience. The COVID-19 shock has led to an abrupt and significant deterioration in the macro-financial environment, both in Ireland and internationally. The full macroeconomic effects of the COVID-19 shock still lie ahead and the degree of uncertainty over the macroeconomic outlook is unprecedented.

Given pre-existing commercial/sustainability challenges and the additional potential challenges presented by COVID-19 and Brexit, credit unions need to take steps to strengthen operational resilience and protect and support their financial position to meet the significant challenges that lie ahead.

For all credit union boards a key aspect of the 2020 year-end process should be an informed identification and consideration of the key risks arising from COVID-19 and Brexit and appropriate mitigation of such risks. As articulated in our circulars during 2020, it is fundamentally important that a prudent approach is maintained in all aspects of a credit union's business including lending, investments, liquidity and reserve management, to underpin the overall financial resilience of the credit union, as this will best serve the longer-term interests of members.

The 2020 year-end circular was issued to all credit unions on 4 September.

This 'year-end circular' highlights the need for credit unions to focus on the impact of COVID-19 and Brexit risks as well as taking into account the other considerations that typically arise at every year-end.

We expect robust impairment reviews of assets so that the assets of the credit union are fairly stated in the annual accounts and that a prudent approach is taken by credit union boards to reserve (capital) management and distribution policy. The Central Bank expects the priority focus for 2020 year-end to be on the maintenance and building of reserves over payment of distributions (dividends and loan interest rebates) to members.

If you have any questions on the foregoing, please contact your Supervisor in the Registry of Credit Unions directly.

Operational and Security Risks Reporting under the Payment Services Regulations

In accordance with Regulation 118(3) of the European Union (Payment Services) Regulations 2018 (the Regulations), payment service providers must provide to the Central Bank on an annual basis an updated and comprehensive assessment of:

- the operational and security risks relating to the payment services provided by the payment service provider; and
- the adequacy of the mitigation measures and control mechanisms implemented in response to those risks.

It is a matter for the credit union to determine whether it is providing payment services that result in an obligation to submit this return.

Credit unions within scope of the reporting requirement are reminded that they must complete an Operational and Security Risks Reporting Template and submit it to the Central Bank via the ONR on an annual basis. Credit unions should therefore take account of this within their regulatory reporting schedules. The next reporting date for the annual assessment for credit unions is 30 September 2020 and the assessment must be submitted to the Central Bank by 31 March 2021. Credit unions should be aware that, for the September 2020 reporting period, a new template incorporating minor changes to the previous template has been published on the Central Bank's website. The Central Bank will schedule the return on the ONR in October 2020. Any credit union that comes within scope of the requirement to submit the return, but for which a report has not been scheduled, should contact their supervisor to arrange this.

More information about the reporting requirements under the Regulations, including Guidance on the Operational and Security Risk Assessment Return are available on our website.

Credit Unions with assets of €100m and over - Process & Requirements when in scope of 2018 Fitness & Probity Regulations

From 1 July 2018, credit unions with total assets of at least €100 million (based on the most recent audited financial statements) are subject to 3 additional Pre-approval Controlled Functions (PCFs). These PCFs were introduced by the Central Bank Reform Act 2010 (Sections 20 and 22 — Credit Unions) (Amendment) Regulations 2018 (2018 Regulations) and are as follows:

- Risk Management Officer (CUPCF-3);
- Head of Internal Audit (CUPCF-4); and
- Head of Finance (CUPCF-5).

Credit unions whose total assets increase to at least €100 million after 1 July 2018 *(based on their most recently audited financial statements)* **will become subject to the 2018 Regulations from the date on which their total assets increase to at least €100 million.**

The resulting obligations include:

PCF In situ Return

This return requires the credit union to submit details of persons holding the 3 PCF roles listed above in that credit union as at the date on which the credit union became subject to the 2018 Regulations. It also requires confirmation from the chair of the credit union that the credit union has undertaken due diligence to ensure that these PCF role holders are fit and proper and has obtained confirmation from these PCF role holders that they agree to abide by the Fitness and Probity Standards for Credit Unions.

Pre-approval required for any new appointments or first contract renewal for the 3 new PCF roles

The credit union must seek pre-approval for any new appointments or the first contract renewal for the 3 new PCF roles introduced in the 2018 Regulations. The first contract renewal will require the individual to complete an individual questionnaire and provide this to the Central Bank. All subsequent contract renewals will not require the individual to undergo the approval process again as long as s/he remains in that role and circumstances have not changed since pre-approval was granted. Further information can be found in the FAQ and Guidance documentation on this webpage. The Central Bank will monitor credit union assets, on an ongoing basis, to identify those credit unions that have come within scope of the 2018 Regulations. Further communication will then issue to the relevant credit unions regarding the procedure and timelines for submitting the PCF In Situ Return.

Beneficial Ownership Register

S.I. No. 233 of 2020 - European Union (Modifications of Statutory Instrument No. 110 of 2019) (Registration of Beneficial Ownership of Certain Financial Vehicles) Regulations 2020 – was signed by the Minister for Finance on 25 June 2020. Pursuant to these regulations, the Central Bank has established a central Beneficial Ownership Register in respect of Certain Financial Vehicles (CFV), including Credit Unions.

The purpose of the Central Bank's Register is to ensure that information pertaining to the beneficial owners of CFV is held on a central register, pursuant to Article 30(3) of 4AMLD which requires that beneficial ownership of CFV are held in a central register in each member state.

The Central Bank is now accepting submissions to this Register. CFV, which include credit unions, are obliged to complete and submit details of their beneficial owners by 25 December 2020.

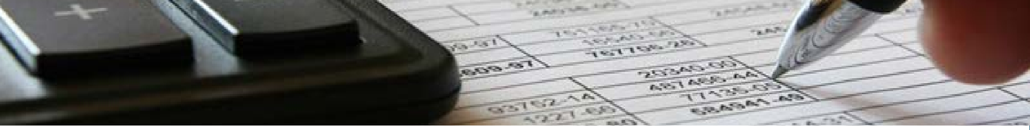
It is the responsibility of the relevant entities to ensure that the beneficial ownership information remains complete and up to date.

The Register will be made available to the public and certain listed bodies in accordance with the legislation from January 2021. The Central Bank will confirm when this access is available in due course.

Please visit the Beneficial Ownership Register section of the Central Bank website for further information, including:

- Background;
- FAQ;
- Submission form template; and
- Submission guidance documentation.

If you are having technical issues uploading your submission or have, any queries in relation to the Beneficial Ownership Register, please contact us at BOR@centralbank.ie.



Minimum Reserves Requirement

In December 2019, the Registry of Credit Unions wrote to credit unions regarding the introduction by the European Central Bank (ECB) of a two-tier system for remunerating excess liquidity holdings and the interaction of this change with the definition of “relevant liquid assets” for the purpose of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (the 2016 Regulations), and the Section 35 Regulatory Requirements for Credit Unions, which have since been revoked. We also included an article on this topic in Issue 12 of Credit Union News.

As set out on the ECB’s website (here), “The two-tier system exempts credit institutions from remunerating, at the negative rate currently applicable on the deposit facility, part of their excess reserve holdings”. The measure therefore seeks to alleviate some of the impact of negative rates on deposits held at the Central Bank.

The Registry of Credit Unions has received a number of queries on:

- the extent of the exempt tier (i.e. the multiple);
- whether minimum reserve requirement (MRR) amounts held in minimum reserve deposit accounts with the Eurosystem can be taken into account for the purpose of the various limits relating to investments set out in the 2016 Regulations; and
- whether amounts held in the MRR/minimum reserve deposit account can be excluded from the calculation of the Regulatory Reserve requirement set out in the 2016 Regulations.

Exempt Tier

By way of clarification, the volume of reserve holdings in excess of MRR that are exempt from the deposit facility rate is determined as a multiple of a credit institution’s MRR. Currently this multiplier is set at six; however, it can be changed over time. As regards remuneration, credit unions should continue to note that the remuneration rate for the exempt tier is currently 0%, this rate can be changed by the ECB over time.

Interaction of the MRR with the Investment Framework for Credit Unions

On the limits relating to investments set out in the 2016 Regulations, the Central Bank does not consider funds held in the MRR to be part of a credit union’s investment portfolio. The Central Bank requires credit unions to manage their investment portfolios within the investment counterparty, investment concentration and maturity limits set out in the 2016 Regulations. In this regard, any amount held in the MRR should not be considered an investment. When considering placing excess funds in the minimum reserve deposit account, a credit union should take into account any impact on its investment counterparty limits and manage those investments accordingly to ensure it remains in compliance with the 2016 Regulations.

The MRR and calculating the Regulatory Reserve

The regulatory reserve requirement is the amount required to be held in the regulatory reserve of a credit union, expressed as a percentage of the assets of a credit union and prescribed by the Central Bank. Regulation 4(1) of the 2016 Regulations requires a credit union to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the credit union. “Assets” means the total assets referred to in section 85A of the Credit Union Act, 1997 (the 1997 Act). Section 85A of the 1997 Act defines "total assets" as meaning “all the assets of a credit union having due regard to the accounting principles in section 110 after deducting provisions for bad and doubtful debts”. Therefore, for the purpose of calculating the regulatory reserve requirement for a credit union under the 2016 Regulations, “assets” includes amounts held in a minimum reserve deposit account.

Definition of “relevant liquid assets”

On the interaction of the amount held in the MRR with the definition of “relevant liquid assets” for the purpose of the 2016 Regulations, the Central Bank is considering the current definition of “relevant liquid assets” and whether any changes should be made to the 2016 Regulations. In the interim, the existing definition remains in place and therefore movement of funds into the minimum reserve account could give rise to a reported breach of the 2016 Regulations. If such a reported breach arises, on the basis that it relates specifically to placing funds in the reserve deposit account in excess of the minimum reserve requirement, we will take account of the “excess” balances held in the minimum reserve requirement in order to determine the actual position.

Liquidators appointed to Drumcondra and District Credit Union Limited– July 2020

In July this year, following an application by the Central Bank, the High Court appointed Joint Liquidators to Drumcondra and District Credit Union Limited. This action was taken in order to protect members' savings and to avoid a disorderly failure of the credit union, and was not related to the exceptional circumstances of COVID-19.

Drumcondra had experienced viability issues for a number of years and in 2016, it required and received external financial support from the Irish League of Credit Unions to restore its capital position to meet the minimum regulatory requirement of 10% of total assets so that it could continue trading as a standalone credit union.

Despite this third party support, Drumcondra continued to face financial viability challenges and over the last number of years, the Registry of Credit Unions had extensive engagement with Drumcondra with a view to ensuring the credit union addressed its financial viability issues. In early 2019, Drumcondra made the strategic decision to pursue a voluntary transfer of engagements. However, despite the Credit Union's efforts to resolve its issues through a transfer of engagements, it was unable to complete a transfer process, primarily due to its inability to secure the requisite funding to restore its reserve position to 10% of its total assets.

In line with our statutory mandate, the Registry of Credit Unions seeks to ensure a financially stable credit union sector that operates in a transparent and fair manner and safeguards its members' funds. As all feasible options available to raise and maintain Drumcondra's reserves to the levels required had been exhausted, the Central Bank sought the winding-up of Drumcondra. Further details on this case can be found in the Resolution Report, which was published in partially redacted form on the Central Bank's website.

As of 30 September 2020, the Deposit Guarantee Scheme had issued compensation payments by cheque to approximately 4,700 members of Drumcondra. The total amount of compensation paid amounts to approximately €13.4million representing over 98% of eligible deposits covered by the Scheme.

Restructuring

The Registry of Credit Unions encourages credit unions to give consideration to future transfer of engagement activity and whether this may be appropriate as part of delivering on the wider strategic objectives of their credit union – either as transferor or transferee. If your credit union is considering activity in this area and requires further information, please contact the Restructuring Team in the Registry of Credit Unions at rcu@centralbank.ie or 01-2244974.

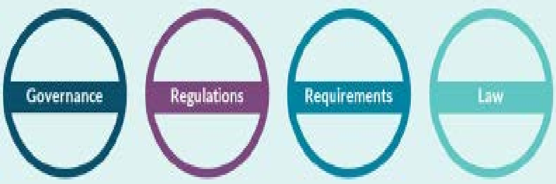
Revised arrangements for submission of applications for partial amendment of registered rules

Due to the ongoing situation arising from the COVID-19 pandemic, all applications for a partial amendment of registered rules should be submitted to the Registry of Credit Unions via the "Secure File Upload" facility on the Online Reporting System (instead of the normal postal system).

In order to avoid delays in the processing of rule amendments, please ensure that all of the following documentation is included with such applications:

- An "Application to register a Partial / Complete Amendment of Rules" which must be signed by four members (one of whom shall be the secretary and another director);
- A Statutory Declaration in Support of an Amendment of Rules. This is a statutory declaration that the credit union has satisfied itself that any amendments made to the credit union rules are not contrary to financial services legislation;
- A copy of the completed rule amendment (known as the "O" letter); and
- A complete copy of the new credit union rules to reflect these changes.

Applications will not be processed until all documentation is complete and in order. If you have any specific queries regarding rule amendments, please contact your supervisor or send your query to rcu@centralbank.ie.



COVID-19

The COVID-19 pandemic environment has resulted in a challenging and unprecedented time for credit unions. Credit unions have continued to play a key role in the delivery of financial services in local communities across Ireland.

As you will be aware, the Central Bank and the European authorities have taken proactive steps to ensure the financial system can continue to service consumers and the broader economy despite the impacts of the COVID-19 pandemic. In line with our mission of safeguarding stability and protecting consumers, the Central Bank is seeking to contain those economic effects and do everything in our power to protect consumers, households and businesses. Our actions, working with our European colleagues, span the full spectrum of our mandate.

The Registry of Credit Unions, taking account of its statutory mandate towards credit unions, has proactively engaged with credit unions to facilitate credit union business continuity to ensure members' needs continue to be served. Given the ever-changing developments associated with COVID-19, we stress the continued need for early engagement by credit unions, on any emerging issues, with their supervisor in the Registry of Credit Unions. We will also continue to engage constructively with all sector stakeholders recognising that we all have a role in supporting credit unions in delivery of services to their members in a safe and sustainable way.

To support the credit union sector, the Registry of Credit Unions has issued to date the following circulars:

- Circular re COVID-19: 31 March 2020;
- Circular re COVID-19: 16 April 2020;
- Circular re COVID-19 Payment Breaks in Credit Unions; and
- F&P Guidance re temporary appointments to PCF roles arising from Covid-19 illness or related situations; PCF assessment process; and adherence to the Fitness and Probity Standards.

AGMs

The Central Bank acknowledges the potential challenges with meeting certain statutory deadlines due to COVID-19 impacts on the holding of AGMs. The Department of Finance has announced that the Government has approved the General Scheme of a credit union Bill. This would allow credit unions to host, either partial or wholly, virtual General Meetings and would also provide for a temporary period for credit unions to delay hosting AGMs related to financial year end September 2020 until April 2021. A link to a press release issued by the Department of Finance providing information on this General Scheme is available here. As set out in the year-end circular, credit unions should focus, in the first instance, on the timely preparation and audit of their 2020 annual accounts. In the event that a deadline is not met as a result of circumstances beyond the control of the credit union, they should engage at an early stage with their supervisor in the Registry of Credit Unions.

Given the ongoing and ever-changing situation, the Registry of Credit Unions want to emphasise the importance of credit unions communicating with their supervisor on any emerging issues.

Central Bank Publications

Credit unions can access Central Bank Economic Publications and the Governor's Blog, which are available on the Central Bank website. These documents may assist credit unions in strategy formulation and compilation of financial projections.

Economic Publications:

- Quarterly Bulletin – Gradual recovery amid uncertain outlook;
- Understanding Long-term Mortgage Arrears in Ireland;
- COVID-19 payment breaks on residential mortgages

Governor's Blog:

- Introduction;
- COVID-19 – The Irish Economy in a Global Context;
- COVID-19 and the Financial System;
- COVID-19 Crisis and the Monetary Response;
- COVID-19 and Developments in Credit;
- COVID-19 – What can we Learn from History;
- Transparency, Accountability and Central Banking; and
- COVID-19: The Impact on Firms and Households.

Credit unions can also access the Central Bank COVID-19 Hub, which provides the latest information for regulated firms on the Central Bank's response to COVID-19.

Central Credit Register

Borrowers Rights

Under the Credit Reporting Act 2013, (the Act) borrowers have four key rights, detailed below.

Borrowers can exercise any of their rights online via the Central Credit Register portal, which can be found here.

The Central Bank has produced factsheets, which may be useful to borrowers when considering how to exercise any of these rights. The full suite of factsheets is available here.

The 4 rights are:

- Borrowers can request a credit report free of charge (subject to fair usage) at any time. For data protection purposes, borrowers will need to provide identification documents in order to be provided with their credit report;
- Borrowers can place an Explanatory Statement on their credit report. The statement must relate only to the borrower themselves, and the credit agreement. The statement can be up to 200 words long;
- Borrowers can place a Notice of Suspected Impersonation on their credit report, if they believe they are being, have been, or are about to be impersonated by another person; and
- Borrowers can request an Amendment to Information if they believe that information is incorrect, incomplete or not up to date.

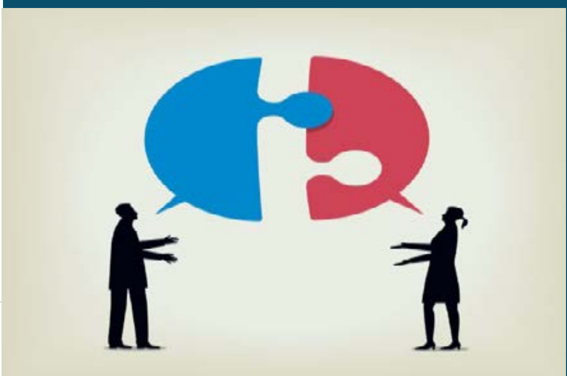
When processing requests for amendments, the Central Credit Register team will contact you with details of the request and ask that you review the request to ensure that the information that has been provided is correct. You will be provided with a date by which a response is required and which must be adhered to. This is due to the timeline provided for processing requests set out in the Act.

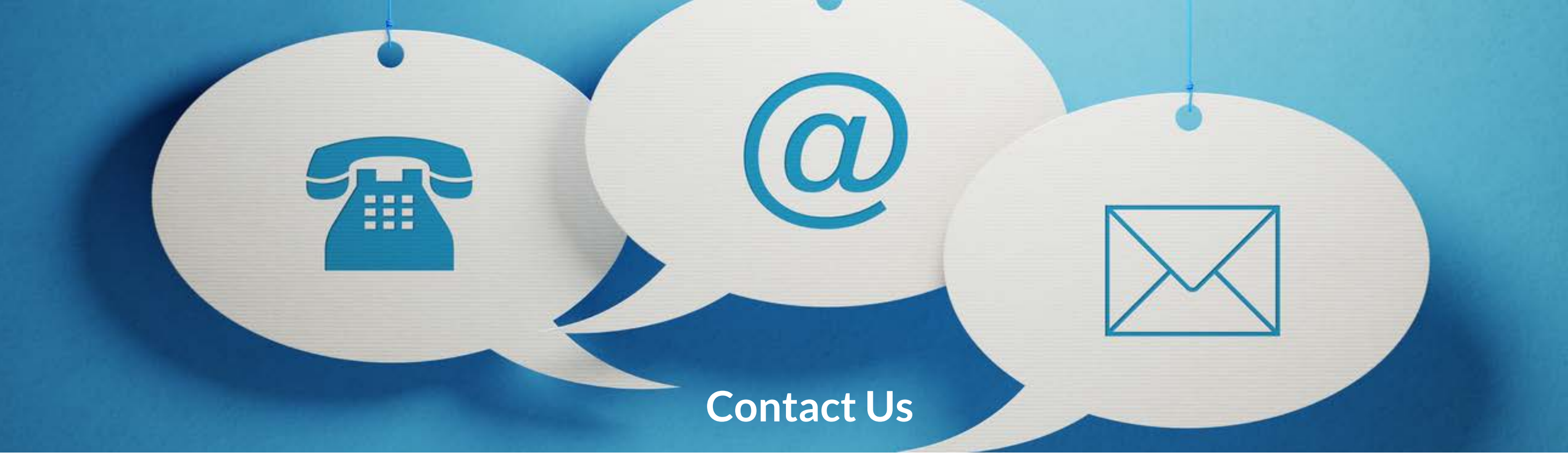
If an amendment is necessary, you should follow the guidance set out in Chapter 3 of the Service Management Manual.

For those staff who have recently joined your Credit Union, or who are not familiar with the Central Credit Register, the CCR Handbook, which comprises all the manuals, is available in the lender area of www.centralcreditregister.ie . You will need your login details and password to access this area of the website. This is the best source of information on compliance with your obligations under the Act.

Revised arrangements for contacting the Registry of Credit Unions

Due to the Government COVID-19 Public Health Measures, the majority of Central Bank staff continue to work remotely. Given the current arrangements, we request credit unions when contacting the Registry of Credit Unions to please email correspondence to their relevant supervisor or if it is a general query, please email rcu@centralbank.ie.





Contact Us

Central Bank Query	Central Bank Division	Central Bank Contact
Registry of Credit Unions		
General day to day supervisory queries	Registry of Credit Unions (RCU)	Credit union supervisor / rcu@centralbank.ie
Queries for other Central Bank Divisions		Website
Anti-Money Laundering/Countering Terrorist Financing	Anti-Money Laundering	AMLpolicy@centralbank.ie
Financial Sanctions		sanctions@centralbank.ie
Consumer Protection:	Consumer Protection	CPCOperations@centralbank.ie
Retail Intermediaries – Authorisation queries		riauthorisations@centralbank.ie
Retail Intermediaries – Supervision queries		brokers@centralbank.ie
Retail Intermediaries – Revocation queries		revocations@centralbank.ie
Retail Intermediaries – Post Authorisation queries		postauth@centralbank.ie
Deposit Guarantee Scheme	Deposit Guarantee Scheme	info@depositguarantee.ie
Fitness and Probity: Individual Questionnaire queries	Regulatory Transactions	fitnessandprobity@centralbank.ie
Funding Levy	Financial Control	funding@centralbank.ie
Minimum Reserve Requirements: Calculation of reserve requirements	Statistics	creditunion@centralbank.ie
Transfer of amounts to/from your account in the Central Bank	Euro-settlements team	eurosettlements@centralbank.ie
Confirming balances and meeting your reserve requirement	Financial Markets	modesk@centralbank.ie
Online Reporting queries	Regulatory Transactions	onlinereturns@centralbank.ie
Recirculation of euro banknotes	Currency Issue	CID.monitoring@centralbank.ie
Reporting Payment Statistics	Payments and Securities Settlements	paystats@centralbank.ie