



Consultation on Personal Insolvency Acts, Part 3
Civil Law Reform Division
Department of Justice and Equality
Bishop's Square
Redmond's Hill
Dublin 2

By email: civil_law_reform_inbox@justice.ie

30 June 2017

Re: Consultation – Personal Insolvency Acts, Part 3

Dear Sir/Madam,

We refer to the Consultation on Part 3 of the Personal Insolvency Acts and appreciate the opportunity to respond to this Consultation.

The Irish League of Credit Unions (“ILCU”) is the largest credit union representative body in Ireland with 288 affiliated credit unions in the Republic of Ireland.

Credit unions were established in the 1950's in response to the rise of money lenders and to provide a source of credit to those most in need. This is a proud tradition which continues to this day. Credit unions are not-for-profit financial cooperatives with central values of equality, equity and mutual self-help. Part of the unique ethos of credit unions is to promote thrift and the wise use of credit.

In general, our affiliated credit unions have had a mixed experience of the operation of the Personal Insolvency legislation. In some cases credit unions feel that inadequate information is being provided in order for them to make an informed decision on the arrangement. Some credit unions feel that the engagement by Personal Insolvency Practitioners and Authorised Intermediaries could be improved. The focus is largely on the secured creditor with credit unions as unsecured creditors often side-lined. We believe more timely and regular engagement with credit unions would serve to alleviate credit unions' queries and concerns, which they might have in relation to proposed arrangements. This would result in credit unions being fully informed and in a better position to consider an arrangement. Furthermore, there should be a greater level of consultation between PIP's and credit unions regarding the circumstances of members as credit unions often have local knowledge and can potentially add very valuable information to a PIP's analysis.

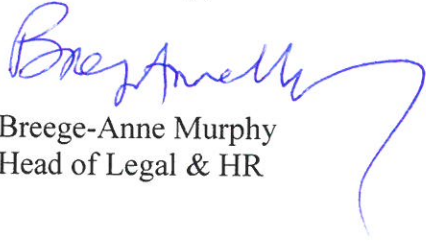
In general, credit unions are satisfied with the monetary criteria which applies to the various arrangements and would not like to see the levels increased (e.g. in respect of the liabilities threshold in a DRN). Credit union loans are, in essence, money belonging to other members of the credit union and a credit union is obliged to seek to recover these funds insofar as

possible. The prospect of receiving no dividend on loans which might fall within an expanded definition of DRN would not be welcomed.

Overall, we would be opposed to any potential amendments to the legislation which might undermine or dilute the position of the unsecured creditor.

If you require any further information with respect to this submission, please do not hesitate to contact the undersigned.

Yours faithfully,



Breege-Anne Murphy
Head of Legal & HR