

CONSULTATION QUESTIONNAIRE (Page One)
Credit Union Debts in Protected Trust Deeds

The deadline for responses is **25 June 2007**

Your details

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For the purpose of analysing responses, it would be helpful if you would also indicate the capacity in which you are completing this questionnaire, please tick as appropriate.

Advice Sector	<input type="checkbox"/>	Legal Body	<input type="checkbox"/>
Business	<input type="checkbox"/>	Professional Body	<input type="checkbox"/>
Individual	<input type="checkbox"/>	Statutory Body	<input type="checkbox"/>
Insolvency Practitioner	<input checked="" type="checkbox"/>	Other (Please Specify) _____	<input type="checkbox"/>

Questions for Consultation

1a Do you think that cancelling debt in a Protected Trust Deed has a particularly harsh impact on Credit Unions?

Yes No

1b If yes, what evidence do you have to support your comments?

1c Do you think that Protected Trust Deeds should give special protection to Credit Unions?

Yes No

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2a Do you think that cancelling debt in a Protected Trust Deed has a particularly harsh impact on any other creditor?

Yes No

2b If yes, what other creditors are affected?

2c Do you think that Protected Trust Deeds should give special protection to any other type of creditor and which ones?

No

3a Do you think that introducing special protection for credit unions (or another type of creditor) would unduly harm the interests of the rest of the creditors?

Yes No

3b If yes, what evidence do you have to support your comments?

The basis of insolvency is that creditors rank equally. The majority of Crown preferences have been abolished, therefore to give special treatment to Credit Unions seems contradictory. The Government agencies represent the taxpayer and the suggestion that Credit Unions obtain a preference above the taxpayers is unjust. The implication of inappropriate lending practices should be encouraged for all creditors. Credit Unions already benefit when individuals are attempting to manage their finances by virtue of the fact that, in many cases, they make deductions at source from income.

4a Which of the following options do you think would be the most appropriate?

Option 1 (Do Nothing) –The intended reform of Protected Trust Deeds will be sufficient to protect the interests of all creditors, including Credit Unions.

Option 2 (Debts not Cancelled) - Debts due to Credit Unions should not be cancelled by Protected Trust Deeds.

4b Why do you think this option is most appropriate?

I see no basis to treat Credit Unions differently from other creditors.

4c Do you have any other comments on these options that we should consider?
