

# **Credit Committee Terms of Reference**

## **1. The composition of the Committee**

The Credit Committee shall consist of the Chairperson, Chief Executive Officer, Head of Treasury, Company Secretary, Lending Team Lead and a minimum of four independent non-executive members of the Board.

The following members make up the current Credit Committee:

Mr B. O'Leary, Mr P. Cafferty, Mr T. Conroy, Mr S. Cremen, Mr B. Fitzpatrick, Dr A. Hayden, Mr W. Johnston, Ms M. O'Reilly and Ms J. Ward.

The Chair of the Credit Committee will rotate between members of the Committee, if a chairperson is not appointed by the Board.

The quorum for meetings of the Credit Committee shall be three members thereof present in person, at least one being a non-executive director.

## **2. Frequency of Meetings**

Meetings of the Committee shall be held on an ad-hoc basis, as required in order to exercise the powers, or perform the functions or responsibilities of the Committee, at such a time and place as notified to the Members.

## **3. Authority**

The Credit Committee is authorised by the Board to consider any activity within its terms of reference. The detailed duties of the Committee are set out in paragraph 4 below.

Individual members of the Credit Committee must pay particular attention to the avoidance of conflicts (or potential conflicts) of interests in approving or recommending loans. Should potential conflict arise, the Credit Committee should be informed.

The Committee, with Board approval, can obtain outside independent professional advice and secure the attendance of consultants with relevant experience and expertise, if it considers this to be necessary.

No resolution shall be deemed passed at any meeting of the Credit Committee unless each member thereof present at such meeting shall have voted in favour of such resolutions.

The provisions of Article 95 of the HFA Constitution (relating to resolutions in writing) shall apply mutatis mutandis.

#### **4. Duties**

The duties of the Committee shall be to:

- i. maintain credit risk, subject to such restrictions, if any, as may from time to time be imposed on the Credit Committee by the Board of the HFA;
- ii. consider and approve the creditworthiness of each AHB prior to a Master Loan Agreement being executed by the HFA;
- iii. approve any loans advanced to AHBs under the terms of Section 17 of the Housing (Miscellaneous Provisions) Act 2002 and to ensure that all loans advanced are in accordance with the HFA's Credit Policy;
- iv. ensure that it has obtained all relevant documentation pertaining to the credit application;
- v. generally, to do all such other required activities, including the execution of documents, as may be necessary or desirable in order to enable or assist the Credit Committee to exercise in full the powers delegated to it under points ii. and iii. above;
- vi. review and recommend credit risk management policies including with respect to portfolio concentration;
- vii. review and oversee the development of loan loss provision policy and regularly (i.e. quarterly) assess the appropriateness and application of such policy, in light of the credit risk embedded in the AHB loan portfolio;
- viii. review and monitor the effectiveness and application of credit risk management policies, related standards and procedures and the control environment with respect to credit decisions;
- ix. ensure that the systems established by the Board to identify, assess, manage and monitor loans are designed and operating effectively;
- x. ensure that any deviations/exceptions to policies are communicated to the Board which may recommend corrective actions to be taken and,
- xi. have the authority to investigate any matter within its terms of reference and the resources and information which it needs.

#### **5. Reporting procedures**

The Secretary to the Committee will establish and maintain the following records:

- i. the confirmed minutes of all meetings of the Credit Committee;
- ii. copies of all written submission to the Credit Committee to the Board;
- iii. a record of the current members of the Credit Committee and any changes to the composition of the Credit Committee; and
- iv. all Credit Committee papers submitted to the Credit Committee for its determination.

The Secretary of the Committee should circulate the minutes of meetings to all members of the Committee and the Board, at the next Board meeting. The Board publishes the names of the members of the Credit Committee in the HFA's Annual Report and Accounts.