



COMMITTEE FOR FINANCE AND PERSONNEL

Mr Frank Daly
Chairman
National Asset Management Agency
Treasury Building
Grand Canal Street
Dublin 2

16 March 2016

Dear Mr Daly

Re: Report on progress of the Review of the sale of the NAMA property loan portfolio in NI

Thank you for your letter of 11 March 2016 in which you outlined NAMA's response to the above. You have raise a number of concerns, some of which I will address in this reply and others which I believe would be better explored through closer engagement between NAMA and the Committee than has occurred heretofore.

Firstly, in terms of your concerns regarding procedural issues, I can advise that the Committee followed normal and appropriate procedure in preparing and publishing its progress report. In conducting inquiries, Assembly statutory committees generally do not enable those who have provided evidence to review or 'verify' the contents of draft inquiry reports prior to publication. As in this case, the evidence used to inform such reports is generally placed in the public domain and, following publication of the reports, stakeholders have the opportunity to respond to conclusions reached or recommendations made. Moreover, I would point out that, in reporting on the progress of its review, the Committee is entitled to identify issues of concern and upon which further information and clarification is required.

Secondly, you appear to misunderstand the Committee's position when you suggest that it contradicts itself in expressing dissatisfaction with NAMA's decision not to provide oral evidence. Simply put, while the Committee does not dispute that NAMA is accountable to the Oireachtas and its committees, it does not accept this as a rationale for refusing to provide oral evidence to the review. The invitation to provide oral evidence is not for the purpose of the Committee holding NAMA to account. Rather, it is to assist the Committee in achieving a fuller understanding of NAMA's operations in the north, including its relationship with the Department of

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Finance and Personnel, the work of the NI advisory committee and other aspects of the Project Eagle sale.

It should also be noted that the Committee's interest in receiving an oral briefing from NAMA is long-standing and predates the Project Eagle controversy. The timeline of correspondence shows, for instance, that the Committee sought an oral briefing from NAMA in February 2014, just prior to the Project Eagle sale being confirmed. The response from NAMA, dated 18 March 2014, stated that '*We regret that we are unable to accept your invitation at this time*' and, unfortunately, the Committee's follow up letter of 28 March 2014 went unanswered.

In order to progress its review, the Committee sees advantages to taking evidence by public oral hearing as compared to the 'ping pong' of written communications which has occurred to date. As mentioned in its report, the Committee notes that NAMA representatives have met with Ministers and officials from the north on many occasions since 2009. Moreover, representatives from public bodies in the south have provided oral evidence previously to inform the work of this and other Assembly committees on a variety of issues. In light of this and the significance of NAMA's northern operations, including Project Eagle, to the economy here, I believe it is reasonable to expect that NAMA will assist the review further by attending an oral evidence session.

You have made some interesting points in relation to NAMA's decision to continue the Project Eagle sale following the revelations by PIMCO and as regards the contradictory accounts of the nature and value of the information available to NI advisory committee members. These issues require detailed exploration. Moreover, there is an increasing number of other unanswered questions around the Project Eagle controversy. The Committee has identified a range of key witnesses, including NAMA, which it considers are required to provide oral evidence to assist in elucidating matters.

I therefore hope that NAMA reflects on its position and agrees to cooperate more fully by providing oral evidence in the event that the successor Committee decides to conclude the review early in the next Assembly mandate.

Yours sincerely,

Daithi McKay
Committee Chairperson