



February 12, 2013

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To: Board Chairs, BC Credit Unions

Re: Guide to Intervention – Credit Unions

Dear Board Chair:

The Financial Institutions Commission (FICOM) is releasing its guide to intervention for credit unions. This guide outlines the supervisory actions that FICOM will take based on a credit union's risk profile¹.

Risk-based supervision is a process that enables FICOM to identify areas of concern at an early stage and intervene effectively as to minimize losses, or exposure of loss, to depositors and the Credit Union Deposit Insurance Corporation. As a credit union's risk profile increases, FICOM's supervisory actions will escalate to reflect the urgency required to address any issues or problems.

FICOM considers the unique structure of each credit union including the nature, scope, complexity and risk profile when determining the level of intervention. As such, not all supervisory actions outlined in this guide will apply in every circumstance.

We welcome the opportunity to present this topic during an upcoming board meeting.

For more information or for presentation requests, please contact Frank Chong, Executive Director, Supervisory Support and Policy at Frank.Chong@ficombc.ca or 604-653-7495.

Yours truly,

Douglas B. McLean
Deputy Superintendent of
Financial Institutions

cc: Chief Executive Officers, BC Credit Unions

Enclosure

BH/ja

¹ As represented by the Composite Risk Rating (CRR) under FICOM's supervisory framework. The supervisory framework details the process for assessing the safety, stability and conduct of credit unions.

- Superintendent of Financial Institutions
- Superintendent of Pensions
- Superintendent of Real Estate
- Registrar of Mortgage Brokers

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