

April 11, 2017

Mr. Frank Chong, Acting Superintendent
Financial Institutions Commission of British Columbia
2800 - 555 West Hastings Street
Vancouver, British Columbia V6B 4N6

Dear Frank,

I am writing to indicate CCUA's full support for Coast Capital Savings Credit Union's application to continue as a federal credit union under the *Bank Act*. There are several reasons why we believe this continuance would be in the best interests of the broader cooperative financial institutions sector.

First is our interest in seeing that the intention of the credit union's members, clearly communicated through a vote last fall is respected. As cooperatives, it is the credit union's member-owners who are legally responsible to make significant decisions about the direction of their business, including merger, dissolution or continuation. As you know, 79.2% of Coast Capital's members who voted in October and November indicated their intention that the credit union should move into the federal framework. That 80,000 of Coast Capital's members cast a ballot represents one of the largest turnouts for any vote in the credit union system. In our view, seeing this member vote respected is fundamental to the integrity of member democracy that defines the cooperative sector.

Second, any concern regarding the future of Central 1 has been allayed by Coast Capital's indication that it intends to maintain a strong relationship with Central 1, ideally remaining a Class A member. In addition, Central 1's own study found there would be little impact from one or even two large credit unions moving to federal jurisdiction; this impact would be lessened if they remain either Class A or contractual members of Central 1.

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Third, it is CCUA's view that having Coast Capital continue as the country's second federal credit union will strengthen and diversify the cooperative financial sector. Canada's credit unions are evolving to meet a rapidly changing financial services marketplace marked by competition and opportunities from untraditional players and increased margin and regulatory pressures. We believe that regulators can assist this evolution by enabling credit unions who so choose, and are prudently able to do so, to move into a framework that will allow credit unions to maintain their cooperative structures and values and continue to serve the best interests of their members.

I hope that this letter provides some assistance to your decision regarding Coast Capital's application. I would welcome hearing from you. Please contact me at 416.233.3422 or at mdurdin@ccua.com.

Kind regards,



Martha Durdin
President and Chief Executive Officer

cc: Tara Richards, Interim CEO, FICOM
Don Coulter, President & CEO, Coast Capital Savings CU
John Groves, Vice President, Public Affairs and Communications, Coast Capital Savings CU