

**From:** [Launi Skinner](#)  
**To:** [Commission Consultation FIN:EX](#)  
**Subject:** Coast Capital Consultation Submission  
**Date:** Wednesday, March 29, 2017 4:04:28 PM  
**Attachments:** [Coast Capital Consultation - FICOM - March 2017 submission.pdf](#)

---

Good afternoon,

Please find attached First West Credit Union's submission regarding Coast Capital's application for continuance as a federal credit union.

Regards,

Launi Skinner

**LAUNI SKINNER**

*Chief Executive Officer* | First West Credit Union

t: 604-501-4266 | f: 604-501-4261 | w: firstwestcu.ca | twitter: @launiskinner

First West Executive Office | 6470 201 Street | Langley, BC | V2Y 2X4

March 29, 2017

Commission Consultation  
Financial Institutions Commission  
2800 - 555 West Hastings Street  
Vancouver, BC V6B 4N6

## **Re. Coast Capital Savings Credit Union application for continuance as a federal credit union**

To the Commission Representatives,

Since the province saw its first credit union founded nearly 80 years ago in Powell River, British Columbians have been drawn to the democratic values and member-centred services of their co-operative financial institutions. Now used by 42 per cent of British Columbians, credit unions can truly be called British Columbia's very own financial services providers. The success of all credit unions in BC however, has come about because the membership, the system and legislators have responsibly taken steps throughout the years to create space for credit unions to grow. As another leading, democratically directed cooperative, First West wishes to express to the Review Commission, the Financial Institutions Commission and the Credit Union Deposit Insurance Corporation its full support for Coast Capital Savings' application to continue as a federal credit union.

### **Democratic wishes of the membership are paramount**

One of the unique and important features of credit unions is that they are founded on the co-operative principle of democratic, member-based decision making. Coast Capital put the national option to its members in an open and accessible manner and in accordance with its rules and provincial regulations. A record 80,000 members participated, with 79.2 per cent—an overwhelming majority—voting in favour of federal continuance. This vote provides the credit union leadership with the mandate to move forward and fulfill the business wishes of the membership.

Some have publicly questioned the legitimacy of the vote based on voter turnout. However, critics should be mindful that voter turnout in Canada has long been a challenge, especially at the lower levels of government such as municipal elections. In the most recent 2014 BC municipal elections, voter turnout was 33.3 per cent for municipalities and 22.8 per cent for electoral districts<sup>1</sup>. While it is incumbent upon all of us to encourage greater voter turnout, in a free, open and accessible election the candidate with the most votes gains a mandate to govern from the public, regardless of voter turnout. In the same way, Coast Capital's members were given the option to vote and they voted to give Coast Capital a mandate to pursue the national option.

First West supports the democratic process undertaken by British Columbians who are members of Coast Capital and believes government, regulatory bodies, the system and the credit union itself have an obligation to respect the mandate expressed by Coast Capital's members to pursue a federal continuance.

---

<sup>1</sup> <https://www.civicinfo.bc.ca/election>



### **Competition is good for consumers and should be encouraged in the banking sector**

In a democratic, free-market society such as Canada, providing choice for consumers is not only healthy but necessary. For middle-class Canadians and the small- and mid-sized business community to succeed, government and regulators must ensure an environment that is squarely focused on enabling responsible competition that serves the needs of Canadian consumers. When consumers have options, companies must work harder to deliver products and services that meet consumer demands. This healthy competition creates innovation, a service-oriented culture and encourages companies to align themselves with the values of consumers.

The values of competition were affirmed by the Government of Canada in its press release congratulating Canada's first federal credit union when it noted its commitment to, "a strong and competitive financial sector that helps support long-term economic growth and provides opportunities for the middle class to grow and succeed."<sup>2</sup> It is our belief that as BC-based, federal credit union, Coast Capital would provide consumers with a new choice for financial services and in so doing, provide competition to other financial institutions and help grow the Canadian economy.

### **Economic and geographic diversification reduces risk to local and national economies**

Extending a BC-based federal credit union's potential reach from the Lower Mainland and southern Vancouver Island to other provinces and regions of the country will reduce the geographic risk to Coast Capital.

What's more, we believe the risk to First West as a result of Coast Capital's withdrawal from credit union liquidity pool should remain low. After all, BC's credit union system has been and should continue to remain a well-regulated sector. First West trusts that the province's credit unions are being overseen in such a manner that there would be no instance in which other credit unions would be called upon or directed to bail-out a materially impactful credit union. In other words, Coast Capital's—or any credit union's—decision to move to a federal regime should not be stymied or negatively affected because of a purely conjectural concern that other independent provincial credit unions might have undetected business practices in our rigorous regulatory regime that would compromise the stability of the system. Quite the opposite: BC's well-regulated system means Coast Capital and other credit unions seeking federal continuance can do so without negative impact to the system.

### **Conclusion**

On behalf of the board and management of First West, we encourage the Commission, FICOM and CUDIC to move quickly in providing Coast Capital Savings with allowance to continue as a federal credit union. We further encourage regulatory bodies to allocate effective levels of resources that will allow for a smooth and efficient transference to the federal regulatory regime.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Neumann".

Shawn Neumann  
Board Chair

A handwritten signature in black ink, appearing to read "Launi Skinner".

Launi Skinner  
Chief Executive Officer

---

<sup>2</sup> <http://www.fin.gc.ca/n16/16-086-eng.asp>