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Delivered Electronically via FSRA Consultation Submission Page.

RE: Libro Supports CCUA's Sector Response on DIRF Adequacy Assessment Framework (ID 2021-009).

To the Reader,

Libro Credit Union (Libro) wishes to offer our support and backing of CCUA's formal response regarding the public consultation on Deposit Insurance Reserve Fund (DIRF) Adequacy. We recognize the importance of ensuring an adequate DIRF to support depositors, while also ensuring that the sector pays a fair and appropriate premium that is reflective of accurate data and current economic environments.

Libro is supportive of FSRA's goal of gathering and utilizing reliable data to determine DIRF modelling. We are willing to work with FSRA to support future data requests, where appropriate, and where encryption is utilized, legal opinion obtained, and privacy concerns are supported before data moves. We trust that the data will lead to a better understanding of the DIRF's adequacy levels and needs while ultimately helping in setting appropriate targets for the sector.

The scenarios presented by FSRA within the consultation could use further refinement as CCUA's analysis highlights the near impossible probability of their occurrence, while also noting that the sector can cover most adverse situations. We recognize that a more sophisticated process is being considered and look forward to better understanding what that will mean for the DIRF and how it will impact adequacy and premiums. We believe that the new act, future regulation, strengthening of rules and guidance, along with the increasing sophistication of FSRA will work in parallel to ensure that a withdrawal from the DIRF is less likely to occur in the future.

We agree with CCUA in recommending that FSRA use its existing assessments of the adequacy of the fund (formed over the past 3-5 years) to form the basis of its report to the Minister of Finance until such time as the stress testing model is fully developed.

If Libro can further support FSRA on this matter, please do not hesitate to reach out to us.

Sincerely,

A handwritten signature in black ink, appearing to be "Stephen Bolton", written over a light blue horizontal line.

Stephen Bolton
Head Coach, President and CEO
Libro Credit Union