September 14, 2021

**BY EMAIL TO** Mehrdad.Rastan@fsrao.ca and Helen.Thomas@fsrao.ca

Helen Thomas

Relationship & Risk Management

Credit Union & Prudential Division

25 Sheppard Avenue West, Suite 100

Toronto, ON M2N 6S6

Dear Ms. Thomas,

**Re: MCU comments on the Proposed Rule – Liquidity Requirements for Credit Unions**

FSRA has requested a response to the Proposed Liquidity Rules, including answering the four questions raised in the Notice provided to credit unions dated June 14th. The following outlines areas that we are seeking clarification as well as specific additions to the requirements that are either vague or missing.

**Specific Questions FRSA has provided:**

1. **Does the Proposed Rule reflect effective, clear, and appropriate liquidity adequacy rules for Ontario’s credit unions?**

MCU management agrees that the Proposed Rule does overall provide clear and appropriate liquidity adequacy requirements for Ontario credit unions.

1. **Is there any major topic that should be addressed by the Proposed Rule that is currently not included?**
	1. Section 5 Table 4 subsection (g) – Please clarify if ‘Payment’ includes contractual maturity. We request consideration to align wording to current guideline and Federal guidance to explicitly include ‘contractual amount’.
	2. Section 7 Table 7 – Please clarify the inflow percentage for both ‘Balance at Maturity’ and ‘Payments’ of performing securitized mortgage that is in an NHA MBS. We request alignment with Federal guidance of 100% inflow for both ‘Balance at Maturity’ and ‘Payments’ of securitized mortgages in an NHA MBS.
2. **Is the Proposed Rule sufficiently clear to ensure compliance within its objectives?**

MCU Management agrees that the Proposed Rule is generally clear to ensure compliance within its objectives.

1. **Are there compliance costs that would be associated with the Proposed Rule that FSRA has not considered?**

MCU Management does not foresee any material costs associated with the Proposed Rule.

Sincerely,



**Tara Daniel**

Chief Financial Officer

Cc: Mehrdad Rastan, Relationship Manager, FSRA

 Gary Genik, Chief Executive Officer, Meridian