

Member FAQs

June 4, 2018

Our Board of Directors and senior leaders of Columbia Valley, Creston & District, East Kootenay Community, Grand Forks, Heritage, Kootenay Savings and Nelson & District Credit Unions have embarked on a journey to explore the possibilities of building one stronger, united credit union. It's an exciting chance to see what credit unions in the Boundary, Kootenay and Columbia Valley regions could do even better together for our members, our employees and our communities.

We are exploring the possibilities that are possible through collective investments in technologies, new products, services and service delivery. By coming together our seven credit unions have the opportunity to build something together than may not have been possible for us independently.

The seven credit unions are exploring what is possible. And if, in the opinion of the Boards of Directors, this combined future is in the best interests of our members, they will present their recommendation to you for your vote. The Boards and senior leadership are committed to providing you with ample information about this process along the way.

Q Why are we exploring a regional amalgamation?

A The financial services industry is evolving at a rapid pace and when we look ahead, we see opportunities to share resources and expertise across the region to continue to provide you with what you need from your credit union.

Q Why an amalgamation, why not just an alliance or a partnership?

A The seven partner credit unions have a long history of alliances and partnerships across the region. Those arrangements have served the seven credit unions well in the past and they have contributed to making these current discussions possible. The business case that is currently being undertaken will investigate the benefits that may be available through amalgamation. The seven Boards of Directors believe that we have a responsibility to explore this potential on your behalf.

Q How will an amalgamation benefit members?

A The purpose of the business case is to define any potential benefits. The business case is expected to be concluded in 2018.

Q Has a decision already been made?

A No. We are exploring the option of amalgamation. If, after the business case has been concluded, the Boards believe that it will be best to proceed, it will only happen if we have consent from the provincial Regulator and if more than two-thirds of the voting members of each participating credit union votes in favour of the amalgamation.

Q What is the timeline for this exploration?

A We expect to have the business case finalized in 2018 and if we believe that we should proceed with an amalgamation, we expect to present that to members to vote on after we have shared details about the proposal.

Q Does the new credit union require support from all seven credit unions to proceed?

A It is hoped that all seven will proceed; however, the seven Boards of Directors have agreed that they will proceed to the next step if at least three of the seven partners resolve to move forward. The merit in the opportunity will be determined through the business case process.

Q What will happen to the employees?

A One of the principles adopted by the seven Boards of Directors is that any combined new credit union must have the capacity to employ all of our current staff. The business case that is underway will confirm how this will be possible.

Q Which credit unions are involved in these discussions?

A The seven partners are:

1. Columbia Valley Credit Union
2. Creston & District Credit Union
3. East Kootenay Community Credit Union
4. Grand Forks Credit Union
5. Heritage Credit Union
6. Kootenay Savings Credit Union
7. Nelson & District Credit Union

Q How will my credit union keep its representation?

A If approved to proceed, the new credit union will be launched with three members from each legacy credit union. Each legacy membership base will form a region. The Rules of the new credit unions, which will be recommended to the membership for approval, will include three seats on the Board of the credit union for Directors from each region. Changing the Rules of the credit union in the future would require a two-thirds majority of voting members.

Q What happens if we don't amalgamate?

A It is the responsibility of every credit union Board to ensure the ongoing sustainability of their credit union. It is also the responsibility of all credit union Boards to investigate options and develop recommendations to present to their members.

The Exploring Strength and Unity option is being considered following each Board's investigation of a variety of other cooperative options and collaborative models.

Our exploration is focused on the opportunities for members, staff and communities that can be enabled through an amalgamation. This includes sharing costs, leveraging resources and working together to take advantage of opportunities not possible for the partners independently.

Our exploration is also focused on how partnering through collaboration can address some of the challenges that face credit unions and other financial services organizations today, including the rapid changes that are occurring in the financial services industry, particularly in terms of emerging competitors and evolving technology. It will become increasingly difficult for smaller, independent credit unions to fund and implement the enhancements that will be necessary to remain sustainable for the long term.

Our peer group credit unions share similar member, community and employee values that drive our desire to continue serving members as a regional credit union within the Kootenay, Boundary, and Columbia Valley regions. By combining resources and sharing the costs of new competitive and technology investments across the partners, we can be collectively stronger.

Q Can't we gain the same benefits through collaboration? Why is an amalgamation necessary?

A Many of the investments that we are looking to share going forward are incurred at the institutional level. So long as we remain separate legal institutions, there is a limited opportunity to share costs and development.

There are many positive benefits of collaboration that do not require an amalgamation and many of those are already in-place across our region and with other credit unions outside of our region either provincially or nationally. The gains that are being pursued in the Exploring Strength and Unity initiative are in addition to those that are possible through cooperative and collaborative ventures.

Q Where can I find more information?

A Visit your credit union's website or www.exploringstrengthandunity.ca for updates, or stop by your local credit union branch to pick up an information postcard.