

Credit Union Loan Data Reporting

Information Session

July 29, 2025

BCFSA BC Financial
Services Authority

Classification: Protected A



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Agenda

1. Introduction – Why LDR is Important
2. LDR Requirements and Proportionality
3. LDR Consultation – Summary and Outcomes
4. LDR Data Fields – Changes and Clarifications
5. What's Next?

Introduction – Why LDR is Important

Introduction

- Loan Data Report (“LDR”) is a new regulatory filing for credit unions (including Central 1 Credit Union) to report granular loan and lease data on their personal and commercial portfolios on a quarterly basis
- LDR requirements include loan attributes covering credit risk, collateral risk, interest rate risk, underwriting risk, conduct risk, Anti-Money Laundering (“AML”) risk, etc.
- Collecting and analyzing relevant data with the appropriate level of granularity is an essential component of BCFSA’s risk-based supervision
- Data may originate from credit unions’ lending operations but serves the purpose of risk monitoring and more proactive supervision and regulation



LDR Benefits

Benefits to BCFSA

- Provides a more comprehensive picture of the credit unions' lending operations
- Enables assessment of systemic risks
- Supports quick supervisory reaction to changes in credit union's risk environment

Benefits to Credit Unions

- Supports credit unions' risk management
- Improves risk reporting to management and credit unions' boards
- Improves digital readiness



LDR Background

- In 2019, BCFSA issued a report on [Risk Data Aggregation and Reporting Principles](#) to assist credit unions in adequately capturing the credit, liquidity, and treasury risks associated with their operations
- The report formed the basis for the quarterly loan data collection of residential mortgage originations and renewals; and loan portfolio collections
- Federal and other provincial regulators continue to refine regulatory reporting based on granular data collections
- LDR requirements are built from, and will replace, current loan data collections to enhance and streamline credit unions' regulatory reporting



Road to LDR: Current Loan Data Collections

➤ Residential Lending:

- First collection 2017 (from Asset Group 1-2 credit unions)
- Since 2018 - Quarterly residential mortgage data collection (incl. new originations and renewals) from Asset Groups 1-2;
 - Since 2021 – quarterly from all credit unions
- Since 2022 - Annual residential mortgage portfolio data collection

➤ Commercial Lending:

- Since 2021 - Annual commercial loan portfolio data collection



LDR Requirements and Proportionality

LDR Requirements

- Beginning June 2026, all credit unions are required to file the LDR, pursuant to section 127(3)(a) of the *Financial Institutions Act*, on a consolidated basis, quarterly within 20 days of each quarter-end
- Credit unions must use the LDR reporting templates and instructions for personal and commercial loans and leases, provided by BCFSA. Filing requirements are outlined in the [LDR Regulatory Statement](#) issued by BCFSA on July 15, 2025
- LDR will be implemented in two phases over two years; and based on risk-proportionality, different requirements will apply by credit union asset sizes and loan types



LDR Phased-in Approach

Implementation of the LDR will be over two years in two phases with one year apart*:

➤ **Phase 1 – June 2026**

Credit unions must begin reporting selected data fields with quarterly frequency

➤ **Phase 2 – June 2027**

Credit unions must report all data fields in the LDR applicable to their tiers based on asset sizes

* LDR reporting may begin on a go-forward basis, capturing the appropriate data fields for all new originations and update at renewal/refinance for existing loans and leases.



LDR Reporting Phases and Credit Union Tiers

Summary table for LDR implementation outlining the total number of data fields by reporting phases and applicable credit union tiers*:

Asset Sizes	Personal Loans and Leases			Commercial Loans and Leases		
	Phase 1	Phase 2	Total	Phase 1	Phase 2	Total
Tier 1 (>\$5B)	101	38	139	64	38	102
Tier 2 ($\leq$ \$5B & >\$1B)	101	38	139	64	38	102
Tier 3 ($\leq$ \$1B & >\$300M)	72	24	96	61	30	91
Tier 4 ($\leq$ \$300M)	67	16	83	59	14	73

* LDR reporting templates and instructions list the phases and credit union tiers to each data field.

Proportionality by Loan Type

➤ Credit unions >\$5 billion in assets (i.e., Tier 1)

Report all personal and commercial data fields for

- All real estate (“RE”) secured loans; and
- All non-RE secured loans and leases.

➤ Credit unions $\leq$ \$5 billion in assets (i.e., Tier 2-4)

Report personal and commercial data fields applicable by their tiers for

- All RE secured loans; and
- Defaulted non-RE secured loans and leases and all exposures that are in the write-off process*

* Granular reporting of other (not-defaulted) Non-RE is not required.



LDR Requirements and Proportionality

Summary table for LDR proportional reporting by credit unions' asset sizes (Tiers 1-4) and by loan type (RE and non-RE secured) outlining the total number of data fields after Phase 2:

Asset Sizes	Personal Loans and Leases		Commercial Loans and Leases	
	RE Secured	Non-RE Secured	RE Secured	Non-RE Secured
Tier 1 (>\$5B)	139		102	
Tier 2 ($\leq$ \$5B & >\$1B)	139	14*	102	16*
Tier 3 ($\leq$ \$1B & >\$300M)	96	14*	91	16*
Tier 4 ($\leq$ \$300M)	83	14*	73	16*

* Report only a subset of data fields for all non-RE secured loans and leases that are defaulted or in the write off process.

LDR Consultation – Summary and Outcomes

LDR Consultation Approach

Consultation with credit unions was essential to ensure the LDR requirements are appropriate and well defined.

➤ **Stage 1 (November 9, 2023 - March 18, 2024)**

Collected initial written feedback on the proposed reporting requirements and implementation timeline

➤ **Stage 2 (September 19 - December 31, 2024)**

Held seven technical working group sessions with participation from 12 credit unions and CCUA

- Discussed the initial feedback and additional questions or concerns;
- Clarified the data field requirements, and other reporting requirements in detail; and
- Discussed proportionality and implementation timeline



Consultation Highlights

What we heard from credit unions:

- Resource constraints, additional IT costs for system changes, concerns about privacy and data security;
- Challenges in reporting some data fields and tracking some historical data, mostly for commercial loans; and
- Request for phased-in implementation approach with focus on proportionality.

BCFSA's response:

- After extensive and thorough review of credit unions' feedback, BCFSA removed, clarified, and streamlined data fields to adjust and refine the final LDR requirements, and revised the implementation timeline. Details are outlined in the [Consultation Summary Report](#).



LDR Consultation Summary

Credit unions recognize the importance of data analysis in their risk management and support the introduction of the LDR.

Some of the significant themes from the LDR consultation feedback highlighted credit unions' concerns about:

- Additional IT costs and resources they may need to meet the requirements;
- Potential impacts of the LDR on their underwriting processes;
- Data fields that are related to other BCFSA consultations, such as Capital Modernization or Natural Catastrophes and Climate-Related Risks;
- Privacy and security of the collected LDR data, seeking assurance on compliance with privacy legislation and data protection measures; and
- Granularity of the LDR and specific data fields in the requirements.

Credit unions asked for sufficient time to implement the necessary improvements for LDR reporting and suggested a more proportional approach based on risk materiality.

LDR Consultation Summary

BCFSA considered all feedback and extended the implementation timeline over two years, adopting a phased approach to allow credit unions sufficient time to comply with the reporting requirements.

- Phase 1 (June 2026): report subset of data fields
- Phase 2 (June 2027): report all applicable data fields in the LDR

BCFSA adjusted the requirements following a proportional approach by credit unions' asset sizes and loan types.

Total Assets	RE Secured Loans	Non-RE Secured Loans and Leases
Tier 1 (>\$5B)	All data fields for personal and commercial RE and non-RE secured loans and leases	
Tier 2 (≤\$5B & >\$1B)	Subset of data fields applicable by credit union tiers for residential and commercial RE secured loans	Subset of data fields for defaulted non-RE secured personal and commercial loans and leases
Tier 3 (≤\$1B & >\$300M)		
Tier 4 (≤\$300M)		

LDR Data Fields – Changes and Clarifications

LDR Consultation Summary

BCFSA considered all feedback from credit unions about the granularity of the LDR and specific data fields.

After extensive and thorough reviews, BCFSA

- Removed and updated data fields in LDR; and
- Ensured that the LDR requirements align with other federal and provincial regulators but tailored specifically to B.C.

BCFSA updated and clarified about half of the data fields and removed about a third of the data fields from the proposed LDR requirements. Details are outlined in the [Consultation Summary Report](#).



LDR Data Fields: Changes & Clarifications

Key issues from the LDR consultation feedback where credit unions noted concerns or reporting challenges with the requirements for some data fields:

- **Concerns about the timing to report Capital Modernization related data fields in the LDR (i.e., TDS/DSCR for capital, etc.)**
 - BCFSA shifted these fields to Phase 2 (beginning June 2027) to better align with the revised Capital Modernization timeline (target date January 2027)
- **Privacy concerns for identifiable personal information**
 - BCFSA ensures the protection of privacy and security of all LDR data with robust data security and appropriate data governance for effective management and protection across the data lifecycle.
 - All LDR data will be stored with restricted access on a need-to-know basis and any data fields with identifiable personal information will be masked.

LDR Data Fields: Changes & Clarifications

BCFSA considered credit unions' feedback about the IFRS 9 related data fields not being available for some credit unions on the individual loan level and about the payment deferrals being mostly related to infrequent events.

- **IFRS 9 related fields** (IFRS 9 stages, allowance, LGD, and PD)
 - Given the importance of this data, these fields remain in the LDR. Reporting is based on credit unions' IFRS 9 Expected Credit Loss ("ECL") models.
 - Credit unions are to report these fields if their ECL models provide this data at the individual loan level; others may report portfolio numbers allocated to individual loans if they assess ECL on a portfolio level.
- **Payment deferrals and temporary payment arrangements**
 - Given the importance of this data, these fields remain in the LDR. Reporting is only required when requested by BCFSA.

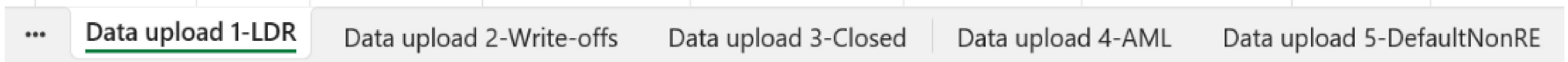
LDR Data Fields: Changes & Clarifications

BCFSA considered credit unions' feedback about challenges in reporting and tracking some data fields and updated the LDR requirements. The following data fields are moved to separate subpages in the LDR template to ease and streamline reporting:

- **Loan write-offs and recoveries** (write-off/recovery amount and date)
 - Credit unions are to report the loan ID, write-off date and amount, loan recovery date and amount for all full or partial write-offs and recoveries processed during the reporting period (i.e., quarter).
- **Closed loans**
 - Credit unions are to report a list of loan IDs for loans that have been closed during the reporting period (i.e., quarter).
- **Anti-Money Laundering (“AML”) red-flagged borrowers**
 - Credit unions are to report a list of member/borrower IDs flagged for AML risk as at the reporting date.

LDR Data Fields: Reporting Templates

Credit unions must use the LDR reporting templates provided by BCFSA to report personal and commercial loans and leases. Both templates have multiple tabs to include the required loans and leases data.



Based on asset sizes, credit unions report the LDR as follows:

- Tier 1 (>\$5B) report all RE and non-RE secured loans and leases; and
- Tier 2-4 (≤\$5B) report all RE secured loans and defaulted non-RE secured loans and leases.

Total Assets	Data upload 1-LDR	Data upload 2-Write-offs	Data upload 3-Closed	Data upload 4-AML	Data upload 5-DefaultNonRE
Tier 1 (>\$5B)	RE & Non-RE	RE & Non-RE	RE & Non-RE	Borrowers (AML)	N/A
Tier 2-4 (≤\$5B)	RE	RE & Non-RE(Defaulted)	RE & Non-RE(Defaulted)	Borrowers (AML)	Non-RE(Defaulted)

What's Next?

What's Next?

July 2025 – June 2026

- Credit unions to prepare for the LDR filings

June 2026 – LDR Phase 1

- LDR submissions (report selected fields) in IRIS due in July 2026

June 2027 – LDR Phase 2

- LDR submissions (report all applicable fields) in IRIS due in July 2027



Questions?

If you have any further questions on the LDR requirements, please contact your Relationship Manager or email filings@bcfsa.ca.

BCFSA offers individual sessions to help credit unions prepare for the LDR submissions, upon request.

If you would like to schedule an individual session with BCFSA to discuss questions related to your credit union, please email filings@bcfsa.ca.



Thank you.

