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To: Credit Unions and Caisses Populaires

From: Suzanne Tucker, *Manager*, Policy & Research

**Re: Commercial Lending Policy Development Guide**

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DICO continually reviews emerging issues and risk management practices in other jurisdictions to ensure that Ontario standards reflect the most current industry best business practices. In response to requests from stakeholders, DICO has developed a Commercial Lending Policy Development Guide (the "Guide") for use by credit unions and leagues.

The Guide provides minimum expectations to assist a credit union in setting and/or revising its Commercial Lending Policy. A credit union should ensure the form and content of its Commercial Lending Policy are appropriate for its size, complexity and risk profile.

Insured institutions were asked for their comments regarding the Guide. These suggestions have been incorporated in the final version of the Guide which is now available on DICO's website, along with other tools that may assist credit unions and leagues to prudently manage their commercial loan portfolios.

**Directors may wish to raise the following questions at an upcoming Board meeting:**

1. Do we currently have a policy for Commercial Lending?
2. If so:
  - a. When was our policy last reviewed?
  - b. Is it still appropriate for our credit union's size, complexity and risk profile?
  - c. Does it align with the Credit Union's risk appetite, risk tolerance and risk profile?
  - d. Does it adequately address the minimum expectations set out in DICO's Commercial Lending Policy Development Guide?