



September 25, 2017

Financial Institutions Division
Financial Sector Policy Branch
Department of Finance Canada
James Michael Flaherty Building
90 Elgin Street
Ottawa ON K1A 0G5

Attention: Director
Email: fin.legislativereview-examenlegislatif.fin@canada.ca

Dear Director,

Re: Consultation on “Potential Policy Measures to Support a Strong and Growing Economy: Positioning Canada’s Financial Sector for the Future” (“Second Consultation Paper”); “Limitations on Using the Terms “Bank”, “Banker”, “Banking””.

1st Choice Savings and Credit Union is pleased to participate in the Department of Finance’s second stage consultation on its review of the federal financial sector framework with regards to the issue of Limitations on Using the Terms “Bank”, “Banker” and “Banking”. We consent to the full disclosure of our comments.

1st Choice Savings and Credit Union is located in Southern Alberta, serving 17,000 members through six branches. 1st Choice Savings employs approximately 100 people and has over \$650 million in assets under administration.

Our most unique features are our membership and profit sharing. When members deal with us, they are a valued member-owner. At 1st Choice Savings and Credit Union we are member-driven, not profit-driven. We reinvest our income to expand the benefits for the membership and pay out annual dividends to our members.

We’ll admit that 1st Choice Savings and Credit Union and the big banks have something in common - we both offer full-service banking and a wide range of financial services. That however, is where the similarity ends and the differences begin.

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1st Choice Savings and Credit Union is owned by its members. Anyone can join our Credit Union, be an owner, and help chart the course for the future.

1st Choice Savings and Credit Union is part of each community that we serve – and is committed to helping our communities grow.

Since 2001, we have paid out more than \$4 million in dividends back to our members!

We're proud to say that most people still come to us referred by friends or family, or attracted by our reputation as a reliable provider of a full range of financial services. In addition to our in-branch services, we provide members with convenient online, mobile and ATM services. We offer a full range of wealth management services, and we are recognized as a leading provider of financial services to Southern Alberta's diversified business and agricultural sector

The recent advisory issued by the Office of the Superintendent of Financial Institutions (OSFI), which restricts non-bank financial institutions, including credit unions, from using the word “banking” to describe the services we offer Southern Albertans is of great concern to our Credit Union.

Our members like many Canadians use “bank” and “banking” terminology to describe their dealings with a deposit-taking institution like a bank or our credit union. 1st Choice Savings and Credit Union is proud of our differences and work hard to promote them; however we need to speak in language that Canadians use and understand.

As described in the Second Consultation Paper, we agree that it is important for consumers to know when they are dealing with bank, rather than another type of financial service provider. However, it should be recognized that what is actually of importance is that consumers are assured that the institution that they are dealing with is properly regulated, by the appropriate level of government and regulators, to provide the services offered. Banks are not the exclusive provider of banking services and the Bank Act is outdated in this regard. The Bank Act should be updated to reflect the reality that there are other types of financial institutions providing banking services to Canadians.

We recommend the Department of Finance propose changes to the Bank Act to allow credit unions, as prudentially regulated deposit-taking institutions, to use the terms “bank” and “banking” to describe their activities and services.

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Thank you for considering this submission. We welcome the opportunity to work with you.

Yours truly,

A handwritten signature in blue ink, appearing to read 'J. Sentes', is written over a thin horizontal line.

Jason Sentes
President and Chief Executive Officer

For more information, please contact:

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