

September 25, 2017

Government of Canada  
Department of Finance  
Ottawa, ON

Dear Sir/Madam:

**Re: Submission to the Department of Finance Second Stage Consultation on the Federal Financial Sector Review**

**XXX** is pleased to participate in the above-noted consultation. We represent 6,000 members throughout **XXX** who will be adversely affected by restricting our use of the words bank and banking. We have always used the term “banking” to describe what we do and to have to change that will be confusing to our members and quite costly to our credit union.

Despite decades of past practice and early promising conversations with CCUA, the Office of the Superintendent of Financial Institutions (OSFI) issued an advisory on June 30, 2017 that adopted a strict interpretation of *Bank Act* restrictions around the use of the words “bank, banker and banking” by non-banks like credit unions.

CCUA estimates that a ban on the use of these words would force credit unions to pay up to \$80 million to remove phrases like “on-line banking,” “mobile banking” and “commercial banking” from signage, websites, forms and advertising.

Credit unions shouldn’t be forced to invent different words to replace the terms Canadians already use to describe their dealings with regulated institutions like credit unions. We think the *Bank Act* should be changed so that it is clear that credit unions, as regulated deposit-taking institutions, can use these terms to describe what they do while ensuring that Canadians know they are dealing with a credit union.

**A ban would disadvantage credit unions ability to compete with banks:** Banking terms are words that Canadians use and understand to describe their dealings with a deposit-taking institution like a bank or a credit union. Credit unions need to speak in language Canadians use and understand in order to compete with other financial service providers.

**Credit unions are fundamentally different than banks, but need to use common-sense language to explain the services we offer:** Credit unions have used the terms for years without incident. That’s because credit unions have used the terms the same way Canadians do – to describe the kinds of activities that take place between members and their credit union.

We recommend the Department of Finance propose changes to the *Bank Act* to allow credit unions, as prudently regulated deposit-taking financial institutions, to continue using the terms “bank” and “banking” to describe our activities and services.

Thank you for considering this submission and we look forward to a reasonable resolution to this issue.

Sincerely,

**XXX**

Chief Executive Officer