

September 25th, 2017

Director
Financial Institutions Division
Financial Sector Policy Branch
Department of Finance Canada
James Michael Flaherty Building
90 Elgin Street
Ottawa ON K1A 0G5
Email: fin.legislativereview-examenlegislatif.fin@canada.ca

Dear Sir/Madam:

Re. Second Stage Consultation on the Federal Financial Sector Review

Pierceland Credit Union is pleased to participate in the Department of Finance's second stage consultation on its review of the federal financial sector framework. Our submission focuses on the Department of Finance's consultation question about the Bank Act restrictions on the use of the terms "bank and banking" by non-banks and credit unions, in particular.

For your reference, Pierceland Credit Union is a small (but we also think important) credit union located at Pierceland, Saskatchewan. We were incorporated August 2nd, 1941 and in 2016 we celebrated our 75th anniversary of primarily serving the Village of Pierceland and the surrounding area within the Rural Municipality of Beaver River. As a prudentially regulated, single-branch credit union and the only financial institution in our community, we provide a broad range of deposit, lending and other financial services to consumer, agricultural and commercial members. We are governed by an elected Board of Directors, and through our committed staff we strive to deliver efficient and cost-effective services to our members, including online banking.

At our last fiscal year-end of December 31st, 2016, our membership was 1,470 and assets totalled \$44.6 million.

Our Mission statement directs us: "We provide financial solutions through service excellence, innovation and technology to enhance the economic and social well-being of our members and communities." We actively support our community by taking a leadership role in promoting social and economic development. We recognize that our decisions have a significant impact on the vibrancy and health of our communities.

We work hard to ensure that our members are aware that they are dealing with a financial services cooperative. Within our credit union office and on our website, we highlight the ways we invest in our community, whether it is through service, sponsorships, donations or staff commitment to members. Among the events that we celebrate every year is Credit Union Day on October 19th.

Our financial institution embraces the "People Before Profits" theme of the credit union system. As identified within our annual report, we promote and support the internationally recognized principles of cooperation:

- Voluntary and Open Membership
- Democratic Member Control
- Members' Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Co-operation among Cooperatives
- Concern for Community

Pierceland Credit union is striving to meet the challenges of the present and of the future. We recognize the issues we face including a sluggish provincial economy, a continuing low-interest rate environment and increasing compliance and regulatory requirements. Like most credit unions, Pierceland credit union builds its capital based on year over year retained earnings.

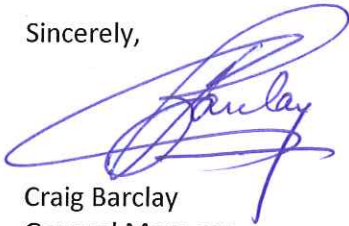
The **2017-01** Advisory issued by the Office of the Superintendent of Financial Institutions would add one more layer of unnecessary expense in order for our credit union to comply. The Canadian Credit Union Association estimates that a ban on the words "banking" will cost credit unions up to \$80 million plus create a big challenge in popularizing new terms to replace "on-line banking", "business banks", or "bank with a credit union".

We are confident that our members are not confused about what type of financial institution they are dealing with when they access our services online or in person. Trying to popularize another term to describe the banking services that we offer only creates confusion and unnecessary expense. Instead, it is the desire of Pierceland Credit Union, to use our capital to leverage for lending opportunities and economic growth for our members and credit union members across Canada.

Pierceland Credit Union recommends 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.

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

Sincerely,



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