

**Submitted to: Department of Finance, Government of Canada**

**Submitted by: Saskatoon City Employees Credit Union**

**Date Submitted: September 29, 2017**

Saskatoon City Employees Credit Union is pleased to be an active part in the Department of Finance's second stage consultation on its review of the federal financial sector framework.

Saskatoon City Employees Credit Union (SCECU) is an independent closed-bond Saskatchewan Credit Union owned by its' members. We provide full financial products and services to our members, who we have been proudly serving for over 70 years. Saskatoon City Employees Credit Union has a history that is rich in community and important to our city of Saskatoon, its employees, family members, and retirees. The firefighters of Saskatoon began our Credit Union out of a coffee can at one of the local fire stations. They began with small pay day loans and eventually expanded to where we are today, a full-serviced financial institution in City Hall. Some of the early pioneers of our Credit Union remain members to this day. We commit to the financial wellness of our growing and participative community of members.

Saskatoon City Employees Credit Union was built on the foundations of community, teamwork, innovation, and by, most importantly, putting people before profits. The Credit Union system has stayed strong through all of Canada's economic ups and downs. Today we serve over 2400 members in our community and hold over \$63.7 million in assets. We employ 9 individuals who are active in our community and with volunteer efforts. All of our employees have long-term and secure employment, some of whom have been with our Credit Union for more than 32 years. All of our employees have a strong bond with our members and know them as people, not numbers.

We are proud to be a co-operative financial institution and we are strong advocates of the difference Credit Unions make in our community and in people's lives.

Our Credit Union has always supported our members, community, and those in need through various forms. Our Credit Union makes the first deposit into a newborn's trust account, offer an annual \$1000.00 Boyd Johnson Memorial Scholarship to a member attending post-secondary, and we offer free service charges to our senior members. As you can see, we take great care of our members throughout all stages in life. SCECU also donates to numerous organizations and charities. This can be as small as sponsoring one child to Co-op camp in the summer, or as big as donating and participating in Tele Miracle. Even though we are a smaller Credit Union, we returned \$70,000.00 in patronage rebates.

Our members understand the importance of Credit Unions in our community, in our province, in our country, and world-wide. Our members have a share in our Credit Union, they have a voice, and we understand the importance of this. In order to provide the best member service, it is imperative that we use common language and terminology that they will know and understand. We would never refer to our financial institution as a bank, but we do however use the verbs "bank" and "banking" to describe the activities and services we offer to our members. Other uses of this word include "online banking", "mobile banking", "personal banking", and "business banking" as this is what Canadians have referred to for decades. It is clear we are a Credit Union, as can be found in the message we educate our members with, as can be found in our name, our logo, and throughout our website. All our members do their "banking" at our Credit Union.

Credit Unions should not be forced to invent different words to replace the terms our members, the public, and Canadians already use to describe their dealings with regulated institutions like SCECU. The Bank Act should be changed so that Credit Unions, as regulated deposit-taking institutions, can use these terms to describe what we and our members do and also to ensure that Canadians know they are dealing with a Credit Union, not a bank.

The estimated forced costs to Credit Unions would be up to 80 million dollars – not Credit Union money, member’s money, the people’s money, your citizen’s money. This cost comes just from needing to remove phrases like “online banking,” “mobile banking,” and “business banking” from signage, websites, forms and advertising. These changes would be a huge impact to our Credit Union and create complete confusion for our current and potential members.

SCECU continues to support the Minister of Finance’s proposal to review the Bank Act restrictions around the use of the terms “bank” and “banking”. Credit Unions should be able to use the verb “bank” and gerund “banking” to describe our activities and services. We are extremely proud of our differences from banks and work hard to promote them, we must be able to speak in language and terms that our members and potential members know and understand.

SCECU, along with other Credit Unions, are sound financial institutions. We are provincially regulated and have superior deposit protection, where our members can feel extremely safe and secure banking with us.

We need to use common-sense language to explain the services we offer. Saskatoon City Employees Credit Union has used the terms the same way Canadians do – to describe the kind of activities that take place between a member and their credit union. A return to interpreting the Bank Act in this common-sense way using judgement and discretion in the enforcement of the Act that is consistent with the intent of the Act, would be very much welcome by Saskatoon City Employees Credit Union and all in the national Credit Union system.

***Our recommendation - 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 our activities and services.***

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

For more information, please contact:

Saskatoon City Employees Credit Union