

September 20, 2017

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

XXX is pleased to participate in the Department of Finance's second stage consultation on its review of the federal financial sector framework.

XXX is located in XXX, Manitoba. The economic base is primarily agriculture and forestry related. Other major industries are health care, retail, manufacturing and tourism. Our credit union has been serving the needs of our members throughout the valley for XXX years. We have assets of XXX and serve over XXX members with a full variety of banking services from XXX locations. With XXX full time employees we are a major employer in our area with a payroll in excess of three and a half million dollars.

XXX is more than a financial institution. We are proud to be part of our community supporting numerous organizations and events throughout XXX. Last year we donated over \$76,000 supporting over 146 local groups, organizations, events and businesses.

We were pleased that OSFI suspended the compliance requirements pending a review by the Department of Finance.

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.

To be fair we do use these terms in our day to day interactions with our members. Terms such as "mobile banking, bank statements, bank accounts etc.", describe some of the products and services we provide however I strongly feel that very few if any of our members would think for one moment we are trying to pass ourselves off as a bank. The exact opposite it true – we champion the credit union difference and go to great lengths to differentiate ourselves from banks. These are simply everyday words that Canadians use to describe basic financial activities across the country whether it be at a bank or credit union.

Not being able to use "bank, banking, banker" will require credit unions to come up with alternate unfamiliar words to describe what we do. Canadians understand and are comfortable with these words.

There will also be considerable cost to change all this terminology – funds that could be much better spent in doing something positive in our communities or for our members.

In the end our credit union feels it all boils down to common sense and good judgement. Those credit unions who simply want to use these terms that Canadians are familiar with should be allowed to continue to use them.

We recommend the Department of Finance propose changes to the Bank Act to allow credit unions, as prudently 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. For more information, please contact:

XXX
CEO