

## **Sunova Credit Union**

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

**Tuesday, September 26, 2017**

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

Sunova is a vibrant, innovative, and friendly full-service financial institution dedicated to providing outstanding member service. We are represented by a unified team of individuals committed to one common goal – to develop a life-long relationship with each of our members built on mutual trust, financial expertise, and our genuine desire to help members achieve their financial goals. Each encounter with Sunova is a memorable experience showcasing our distinctive and unique service offering. (And we employ St. Bernard's!)

We consider ourselves to be a unique organization within the financial industry. We take pride in our efforts to differentiate ourselves from other financial institutions; banks in particular. While our products and services essentially mirror those offered at other financial institutions, we endeavor to provide a 'banking' experience unlike any other that showcases the quality service and guidance our employees provide to our members each and every day.

As a credit union, new members are eligible for a number of exclusive benefits including the opportunity to invest in our Member Share Program. By purchasing common shares when accounts are opened, our members become part-owners of the organization. As financial results permit, we reward our members by paying a dividend on their share investments. Members are also encouraged to vote (in our annual board election) for their representatives on our board of directors.

Our full legal name (Sunova Credit Union) appears on all member documents, and at no point do we refer to ourselves as a 'bank'. As stated above, we focus on our individual and unique 'Sunova' brand and the quality experience we provide for our membership.

That said we commonly use the verbs 'bank' and 'banking' to explain our products and services, as these are the same words members and potential members use and understand. This terminology is particularly important when working with members who have recently immigrated to Canada, as these terms are what they are most familiar with. This is a segment of our membership experiencing rapid growth. In terms of referencing our organization, we never refer to ourselves as a bank. Our intent is to focus on the Sunova brand as much as possible, rather than identifying with a group of other financial institutions.

Sunova Credit Union currently has \$1.5 billion in assets and serves over 34,000 members in 12 locations across Manitoba's Interlake and Eastern regions, and within Winnipeg. Our membership trends slightly younger than the national average age for credit union members, and includes commercial and agricultural accounts. In several cases we are one of the only financial institutions in our communities.

At Sunova we don't give back to our communities just to 'look good'. We give back because it feels good. Through our sponsorships, our goal is to help strengthen our communities by supporting

organizations, charities, and events that reflect our organizational values. In 2016, we invested over \$151,000 in our communities through our 'shine bright' program.

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.

We are very much in support of the Minister of Finance's proposal to review the Bank Act restrictions around the use of the terms 'bank', 'banker', and 'banking'. Looking at our products and services and the terms the public is familiar with, restrictions on these verbs would create a number of challenges. Not only would transitioning our materials cost us (and impact returns to our membership by) thousands of dollars, we would also experience the ongoing challenge of familiarizing our members and the public with a new set of terms to describe financial services.

Developing a new set of terms to effectively describe 'banking' to our membership would be incredibly challenging. Credit unions have used this terminology the same way our members and Canadians across the country have used them for years – to describe the financial activities between our members and our credit union.

We recommend the Department of Finance propose changes to the Bank Act that would 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 very much welcome the opportunity for further discussions.

For more information please contact:

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