



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



Submitted by: Sunrise Credit Union  
September 21, 2017

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

### **About Sunrise Credit Union**

Sunrise Credit Union was formed in 2008 through the merger of five legacy credit unions, established as far back as 1940. Known as a key economic driver in the communities it serves, Sunrise employs 170 people, serves 24,000 members from 15 communities in southern rural Manitoba and has recently surpassed \$1 billion in assets.

In 50% of communities it serves, Sunrise Credit Union is the sole institution providing financial services, filling a fundamental role in ensuring the efficient deployment of credit and capital among the people who live in southern rural Manitoba.

### **Sunrise Credit Union has different values than a bank.**

As a financial institution owned by the people it serves, Sunrise Credit Union is part of the cooperative movement that works for the betterment of members and communities. Members are owners of the credit union and as such, profits are reinvested into the communities where they live, work and play.

Sunrise Credit Union supports over 400 local organizations each year through sponsorships exceeding \$1 million to date and also demonstrates its deep commitment to building strong communities through its employee volunteerism mandate.

Not only do Sunrise employees participate in community activities as part of their paid work, they also represent the credit union during their unpaid time off. Since 2008, Sunrise Credit Union staff has volunteered over 50,000 hours in support of local organizations to increase the vibrancy of the communities it serves. Many of these volunteer positions are a leadership role where staff serve on boards and committees, helping provide financial and management expertise for a range of sectors including sports leagues and service organizations to charitable foundations and schools.

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.

### **Limitations on Using the Terms "Bank" and "Banking"**

"Bank" and "banking" are terms that Canadians use and understand to describe their dealings with a deposit-taking institution like a bank or a credit union and Sunrise has used these terms for years with the tacit support of federal officials.

Similar to other ubiquitous names that have become part of the English language (Kleenex, QTips, Band-aids, Zex, Chapstick, Tupperware, etc.), "bank" and "banking" have become synonyms for the products and services offered through the deployment of credit and capital among savers and borrowers.

A ban on these terms would disadvantage credit unions' ability to compete fairly with banks. The cost of implementing such a change is enormous, both in execution as well as in trying to popularize a new term for the English language in Canada specifically. If the ban is enforced, through their access to foreign

broadcasting stations and written material, Canadians will continue to understand the service provided by credit unions as one they understand – banking.

Sunrise Credit Union strongly urges OSFI to continue effectively interpreting the *Bank Act* in a common sense way, using judgement and discretion in the enforcement of the act. This will allow credit unions such as ours to continue focusing its attention and resources on supporting and growing the local economies in southern Manitoba.

Sunrise Credit Union appreciates OSFI's decision to suspend its compliance expectations and the Minister of Finance's proposal to review the *Bank Act* restrictions.

### **Recommendation**

Sunrise Credit Union recommends 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 welcome the opportunity to work with you. For more information, please contact:

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