



*we'll help you get there*

## **TCU Financial Group Credit Union**

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

September 6, 2017

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

We at TCU are supportive of the Minister of Finance's proposal to review the *Bank Act* restrictions around the use of the terms "bank", "banker" and "banking". Credit unions should be able to use these terms to describe their activities and services.

On November 4, 1952, TCU Financial Group Credit Union formed with 17 charter members.

TCU was initially organized as the Saskatchewan Teachers' Federation Savings & Credit Union Limited by staff of the Saskatchewan Teachers Federation. The purpose of the Credit Union was to provide "self-help" for teacher members.

A change from a "closed bond" (just for teachers) association to an "open bond" (anyone) association was approved in 1982. TCU Financial Group is open to everyone so people from all walks of life can enjoy the products and the service levels provided by our credit union.

Since 1952 we have grown to have 5 retail branch locations in Regina and Saskatoon. We've grown from 17 members to 15,000 members. We are a Saskatchewan based Credit Union providing a full suite of financial products and services to the residents, organizations and businesses of Saskatchewan. Also part of TCU is our Wealth Management business. TCU Wealth Management Specialists provide a large variety of investment options to our clients, which include research and personalized advice, retirement planning, investment strategies and much more.

At credit unions, depositors are called members. Each member is an owner of the credit union. Banks on the other hand are called customers and they have no ownership interest in the institution.

Our board structure is different from banks. Our members are our owners and the Board of Directors is run by local elected members where a bank is owned by shareholders and run by a board of directors who aren't necessarily customers.

At TCU we offer a "No Fee Account". All TCU members have the option to pay no service charges on their chequing account. Most banks charge monthly fees.

Our members are exactly that, members. They are more than a number. We make every effort to get to know and understand what our members need. Credit unions pride themselves on offering more than just financial services. We provide superior products and services in the most friendly and efficient manner possible, with the specific intention of improving the financial well-being of each and every member. Our tagline says it best – "We'll help you get there".

Anyone can become a member of TCU. Whether it is in branch, online, or by phone we do our best to make it possible for anyone to use our credit union services.

TCU was the 1<sup>st</sup> Saskatchewan Credit union to offer Internet Banking, now commonly referred to as “online banking”. While not a bank, we offer this convenient service to our members.

Our membership base was initially comprised of just teachers. However, since the closed bond was opened in 1982 our membership has opened to anyone and everyone. Of our 15,000 members the average age is 50 years. We have 700 members between the age of 0-19 and 1,000 members over 80. Our members are typically lifetime members, and over 1,000 members have been with TCU over 40 years.

In 2016, TCU invested close to \$300,000 back into the community by way of sponsorship, donation and staff involvement. TCU staff members volunteered more than 300 hours to community initiatives and TCU encourages and supports our employee volunteer efforts.

TCU has maintained our position as the 6<sup>th</sup> largest credit union in Saskatchewan with \$716,355,552 in total assets and \$209,073,798 assets under administration within Wealth Management.

Credit unions are prudentially sound financial institutions. Credit unions are well-regulated by provincial authorities. Credit unions are known as prudent lenders with low loan losses. Deposit insurance provides credit union members protections equal to or greater than those available to bank depositors. Credit unions have weathered the financial crisis without incident; no credit union members lost money during the crisis and there were no credit union failures related to the crisis. Consumers can feel safe and secure banking with a credit union.

Credit unions are fundamentally different than banks, but need to use common-sense language to explain the services we offer: Credit unions have used the terms “bank”, “banker”, and “banking” for years without incident. That’s because credit union have used the terms the same way Canadians do – to describe the kinds of activities that take place between members 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, is welcome by credit unions, TCU included.

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.

A ban on the word “banking” would cost credit unions \$80 million. We at TCU estimate we would be required to spend close to \$40,000 updating our content.

Some of the estimated impacts to our credit union are as follows:

By doing a search of our website content – we estimated approximately 200 pages are impacted by the terms “bank”, “banker” and “banking”.

We have videos on our website, images, brochures, banners, posters, letters and presentations that would require updates. Unnecessary updates, if we follow the common-sense rule.

We should not be forced to invent different words to replace the terms Canadians already use to describe their dealings with regulated institutions like us at TCU. We think the *Bank Act* should be changed so that it is clear that credit unions, as regulated deposit-taking intuitions, can use these terms to describe what they do while ensuring that Canadians know they are dealing with a credit union, not a bank.

***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 their activities and services.***

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



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