



Beautiful Plains Credit Union

Neepawa, Manitoba

Submission to: The Department of Finance

Second Stage Consultation on the Federal Financial
Sector Review

September 20, 2017

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

Based on today's standards, Beautiful Plains Credit Union is a small sized credit union with assets of \$120 million and a loan portfolio of \$90 million. Our credit union is made up of 2 rural branches, Neepawa and Glenella, of which the Glenella branch is the only financial institution within the community since the early. Our membership of 3800 is made up of personal, small business and agricultural members.

Beautiful Plains Credit Union is a cooperative organization that wants to satisfy the financial needs of our members, our organization, and add value to the community. We continually support the membership and community by giving back financially through donations to service groups, community initiatives, and patronage refunds. Annually, we support the community financially through donations and advertising. Last year, with a complement of 20 employees, we volunteered in excess of 1000 hours to community service. Our Patronage program has enabled the credit union to refund \$3.7 million to our membership since this program was first initiated, money that goes back to the local economies of the communities we serve.

Beautiful Plains Credit Union is 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 the terms "bank" and "banking" to describe their activities and services.

Our constituents use "bank" and "banking" terminology to describe financial services-these are terms that they use and understand to describe their dealings with a deposit-taking institution like a bank or a credit union. Credit unions are proud of our differences and work hard to promote them, but we need to speak in language they use and understand.

We use the terms 'bank' and 'banking' to describe the products and services we offer our members, not to describe who we are. For example, we have chosen to use the terms 'deposit services' and 'lending services' instead of 'banking', however there are many terms which remain problematic and we do refer to 'online banking'. We take care to ensure that our members know we are a credit union. The words 'credit union' feature prominently in our logo and on our website. Our members understand we are different than a bank, it's often why

they decided to become a member. Our members refer to the services they use at our credit union as banking and many would tell you that they 'bank' at a credit union. To remain competitive and avoid confusion amongst our members, we must be able to describe the products and services we offer to Canadians using language they know and understand.

Beautiful Plains Credit Union is a prudentially sound financial institution. Beautiful Plains Credit Union is well-regulated by the Deposit Guarantee Corporation of Manitoba. Beautiful Plains Credit Union is known as prudent lenders with low loan losses. Our Deposit insurance provides credit union members protections equal to or greater than those available to bank depositors. Beautiful Plains Credit Union weathered the financial crisis without incident; no credit union members lost money during the crisis. Consumers can feel safe and secure banking with a credit union.

A ban would disadvantage our credit union's ability to compete with banks. Banking terms are words that our members use and understand to describe their dealings with a deposit-taking institution like a bank or a credit union. Credit unions need to speak in the language Canadians use and understand in order to compete effectively with the banks, while continuing to ensure people know they are dealing 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 for years without incident. That's because credit unions have used the terms the same way Canadians do – to describe the kinds of activities that take place between members and their 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 welcome the opportunity to work with you.

For more information, please contact:

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