



Co-operative Housing Federation of Canada
Fédération de l'habitation coopérative du Canada

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Re: Department of Finance consultation on banking terminology

The Co-operative Housing Federation of Canada (CHF Canada) is pleased to support the common-sense banking terminology being advocated by financial co-operatives and credit unions across the country.

CHF Canada is the unified national voice for the quarter of a million Canadians living in housing co-operatives across the country. Our members deal directly with credit unions on a daily basis.

The Office of the Superintendent of Financial Institutions (OSFI) recently issued an advisory that will preclude non-bank financial service providers from using the terms “bank,” “banker,” and “banking.” The Canadian Credit Union Association has estimated that complying with the advisory would cost the credit union system \$80 million in direct expenses. The restrictions would also result in damaging long-term competitive consequences to credit unions as they would face significant marketing challenges when communicating with current and possibly future members.

The regular examination of Canada’s Bank Act is an important component of the government’s approach to maintain accountability and transparency in the financial services sector. The review ensures legislators and regulators remain ahead of the curve when it comes to new developments that could threaten the viability of our financial institutions, and the trust that millions of Canadians place in them. In this instance, studying the terms referenced by the OSFI is essential, especially given the sudden proposed change in direction.

Credit unions aren’t banks, but they are places where Canadians do their “banking.” In fact, many Canadians prefer to have mutually-owned financial institutions manage their money precisely because they are not chartered banks and do not operate on a purely for-profit model. In spite of this, the specified terms are ubiquitous and have been established as the common parlance for most services that involve financial management. Credit unions have used these terms for decades to describe the excellent services they offer to Canadians without creating confusion in the marketplace. We ask that these long-standing practices be recognized and supported.

We appreciate your consideration of our position and encourage you to choose the commonsense approach for consumers by allowing continued use of these terms.

Sincerely,

Nicole Waldron
President
Co-operative Housing Federation of Canada