



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

September 7, 2017

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

Edam Credit Union is an autonomous credit union that was started in Edam Saskatchewan in September of 1943. The need arose due to the fact that the Canadian Imperial Bank of Commerce had advised that they were no longer prepared to service our community. Edam Credit Union is committed to our community and servicing of their financial needs. Our credit union participates with our community by engaging with community for events, both with staff participation and financial injections. We give back to our members and community in form of patronage dividends to our membership. We have one commitment which is service of our community's financial needs, a service that the banks removed from this community almost 75 years ago.

We are cognizant that we are not a bank, however the services we provide are "banking" as this is the generally accepted term for financial services. These are terms that our members 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 our members use and understand.

A ban on the word "banking" would disadvantage credit unions ability to compete with banks: Banking terms are words that Canadians 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 language Canadians use and understand in order to compete with other financial service providers.

We often joke with our members, when they call us their "bank" and correct them that we are their "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. 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.

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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