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Re: Department of Finance Consultation – Financial Sector Review - Limitations on Using the Terms “Bank,” “Banker” and “Banking.”

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

Entegra Credit Union was established in 1960 in the heart of Winnipeg, Manitoba serving the Polish Catholic parishioners of the Holy Ghost Church. Today, we are an open bond financial institution that serves over 15,000 members and administers over \$750 million in assets through 4 branches and technology. Most of our members are immigrants of all walks of life, Polish, Ukrainian, Filipino, and East Indian, for example. We are not a bank and have never professed to be. We are a Credit Union that offers financial services to the many that don’t fit into the box created by the big banks. We provide “banking services” to those who may not be able to access them elsewhere. Our members do their personal “banking”, their commercial “banking”, and their mobile “banking” with us. But they know full well that we are not a “bank”!

We help to ensure that new Canadians are welcomed and help them to transition into life in Canada, serve individuals that other financial institutions do not. We provide lending programs to new immigrants that have little or no credit rating, causing them to fall outside the parameters set by the big banks. We also hold a large amount of Small Business Loans, again to many of the new immigrants as they invest in pizza businesses, purchase Taxi Cabs, build housing developments, fast food restaurants, gas stations, and the list goes on. The services we provide help these new Canadians to become productive, self-supporting individuals who contribute greatly to their local communities and economy. We feel that financial literacy is critical to helping our members reach their financial goals and we take the time to educate our members about financial practises in Canada, how we differ from other financial institutions and how to reach their financial goals.

We belong together.

We also support the communities we serve with donations and sponsorships of their many ethnic celebrations.

As you can imagine, English is a second language to most immigrants and we must be very careful in recognizing the use of words to describe ourselves. We ensure we refer to ourselves as a credit union and explain the differences between credit unions and banks. We do however, refer to the products and services we offer using the terms 'bank' and 'banking' such as 'online banking', because this is the common language which Canadians use to describe the day to day financial services they know and use. The words 'credit union' feature prominently in our logo and on our website.

To create a new set of terms to describe services would be costly and confusing. It would be very confusing for our members in general, and especially new Canadians, to try to create new terms for services they know and then explain that both sets of terminology apply to the very same services. We often say that we offer the same services as a bank, only better. And we make sure we articulate how we are different and better, unlimited deposit insurance, a co-op of members working together to manage our credit union and helping each other and their communities. Our members know the credit union difference; it's why they've chosen to bank with us.

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

Canadians use "bank" and "banking" terminology to describe financial services. These are terms that Canadians 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 Canadians use and understand.

I understand that Section 983(2) of the *Bank Act* restricts the use of the terms “bank”, “banking” or “banker” by non-bank entities like credit unions. I also believe that the policy intent was to prevent people from being misled into thinking they are dealing with a bank. I have worked in the Credit Union system for over 40 years and I can tell you that 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. Until very recently, OSFI had effectively interpreted the Act in this common-sense way, using judgement and discretion in the enforcement of the act.

We strongly 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 as required.

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