



**ESTONIAN CREDIT UNION**  
TORONTO EESTI ÜHISPANK

Estonian (Toronto) Credit Union Limited

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

September 7<sup>th</sup>, 2017

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

ECU is an open-bond community credit union based out of Toronto, Ontario. Established in 1954, we've been giving back to our community for over 60 years. Our membership of individuals, organizations, and small businesses now stands near 5,000. As a credit union, our members are our owners. That means we answer to them and always put their needs first. We are proud to put people before profits – excess earnings are distributed to members in the form of profit sharing through patronage interest rebates or bonuses, no-fee accounts, and great interest rates on deposits and loans. As we are well-regulated and insured by provincial authorities and have weathered the financial crisis without incident, consumers can feel safe and secure banking with a credit union.

With \$135 million in assets, we are committed to helping our community through financial education and giving back. Last year alone we gave over \$80,000 to our community, including sponsorships, fundraisers and scholarships. In 2014, on the occasion of our 60<sup>th</sup> anniversary, we launched a financial literacy program providing an ongoing variety of free financial education seminars and online videos, ranging from Estonian nursery school visits through how to buy a house or save for your retirement to elder care. These seminars provide a safe learning environment together with friends and other members of our community.

We also provide commercial lending services to smaller borrowers who are often underserved by the large banks. As we have a small, knowledgeable team, we are able to take the time to look at the unique merits of smaller requests and customize underwriting to each specific situation.

*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.*

The Estonian Credit Union uses the words "bank" and "banking" to help our members understand our products and services. Although we are fundamentally different than banks, we 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. Imagine trying to describe the term "on-line banking" without using the word "banking"? A ban on these terms would disadvantage credit unions from competing with banks (for example, credit unions would not appear on internet searches for bank accounts, banking services, etc) and would cost the industry up to \$80

million, along with creating a challenge in popularizing new terms to replace “on-line banking,” “business banking,” or “bank accounts.”

*We recommend the Department of Finance propose changes to the Bank Act that would allow credit unions, as prudentially regulated deposit-taking institutions, the use of 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:

Anita Saar  
President & CEO  
Estonian (Toronto) Credit Union Limited  
958 Broadview Avenue Toronto, ON M4K 2R6  
(416) 465-4659  
[anitas@estoniancu.com](mailto:anitas@estoniancu.com)