

North Peace Savings and Credit Union

10344 100th Street

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www.npscu.ca

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

September 4, 2017



North Peace Savings and Credit union is pleased to participate in the Department of Finance's second stage consultation on its review of the federal financial sector framework.

North Peace Savings & Credit Union (NPSCU) is a successful community based credit union with \$562 Million in assets situated in remote and sparsely populated Northeastern BC. With its administrative office located in Fort St. John, BC, NPSCU serves a membership of 13,000 through its five branches, offering personal and business services. Our branches are strung along a 500 km stretch of the Alaska Highway.

In 2012 NPSCU opened a virtual smart office in Taylor BC, a community that was unserved by any Financial Institution. North Peace Savings & Credit Union employed technology to create virtual, smart offices and installed Personal Teller Machines (PTM) with a face-to-face video link to deliver service. Hudson's Hope BC, with a population of 1,000 was left without a Financial Institution in 1987 when CIBC pulled out of the community. The town of Hudson's Hope approached NPSCU to open a branch to serve the community, we listened, opened a branch shortly after and have created employment and provided financial services since.

NPSCU uses the terminology bank, banking, to describe the financial services we provide. The terminology is used in conjunction with our logo, to clearly identify ourselves as a credit union. The following signs that are located on exterior windows of our branches demonstrate this:



North Peace Savings & Credit Union provides financial support to socially responsible organizations that increase community sustainability within the communities that we serve. In the past five years, NPSCU has contributed over \$630,000 to these organizations in the form of sponsorships and donations.

NPSCU appreciates OSFI's decision to suspend its compliance expectations around the Bank Act restrictions pending the Department of Finance review of the restrictions

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-bank and credit unions in particular.

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.

The enforcement of an outright ban of using these terms would have a significant financial impact for North Peace Savings & Credit Union, in addition to creating confusion to our members. NPSCU is proud of the credit union differentiator and use a variety of ways to communicate that to our members and the community at large.

- Using Credit Union in our name and logo
- Website content
- New Member Onboarding: "Credit Union Advantage"
- Community Giving

In addition to these various differentiators, banking terms are words that our communities and Members understand to describe their financial institution and we need to speak the language they use and understand to compete with other financial service providers.

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.

For more information, please contact:

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