



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

September 21, 2017

Noventis Credit Union Submission

Introduction

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

About Noventis Credit Union

Noventis Credit Union is a medium-sized credit union operating in rural Manitoba providing service to twenty-six thousand (26,000) members in eleven (11) communities. In six of those communities Noventis Credit Union is the only financial institution in the community with a physical location. We manage eight hundred and fifty million (\$850,000,000) in assets.

Our membership demographics are representative of the communities we serve including farmers, fishermen, small business owners, retirees, first nations, and the working middle class. Our success is measured through the success of our members and the communities we serve.

In Manitoba, credit unions have deep roots in our communities generated out of a need when banks and governments were not there to support financial services local communities needed. This spirit of cooperation is a core part of who we are as a credit union and we are proud of the difference we make on a local level.

We annually contribute back over 5% of our income to local initiatives that make a difference for local projects and community groups. This equates to over two hundred and fifty thousand (\$250,000) annually in grants and sponsorships.

As a local credit union, we are governed by an elected board. The Board set the vision and mission for the organization. As noted below, community is key to our vision and mission.

Vision Building strong community

Mission We are financial solutioneers, focused on the needs of our members and our community

About Noventis Credit Union (cont'd)

Our commitment to community is represented through our physical presence providing service as well as our philanthropy giving back. We support over 100 community groups including school breakfast programs, playground projects, festivals, fairs, sports teams, community clubs and local charities.

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 specifically, credit unions.

Terms "Bank" and "Banking"

Noventis Credit Union is not a bank and does not attempt to represent itself as a bank. We do however, provide much needed financial services in our communities and common terms for these services are used by our members, as they are by everyone.

There are many commonly used phrases by our members that are part of everyday language and do not represent a specific type of institution:

- On-line banking
- Mobile banking
- Bank with a credit union
- Business banking
- I need to do some banking
- Bank account

The use of banking and bank in common language refers to the activity of managing your finances, not the institution where you choose to receive the service. We believe it creates an unfair competitive landscape for provincially regulated credit unions.

It would be very difficult or impossible for credit unions to try and invent new words to then be incorporated into everyday language.

The financial burden on credit unions to replace signage, websites, forms and marketing and create new phrases is unnecessary and creates a further burden on small credit unions in favour of big banks.

Recommendation

We 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 on a solution.

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