



Summerland & District Credit Union
13601 Victoria Road North
Summerland, British Columbia
VOH 1Z7

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

September 26, 2017

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

Summerland Credit Union serves the Community of Summerland and surrounding area in the Okanagan Region of British Columbia. Our credit union currently has in excess of \$255,000,000 in Assets and over 7100 members. Our credit union contributes significantly to our local economy by providing direct employment to 45 individuals, by contributing tens of thousands of dollars in support and donations to community organizations, health care facilities, sports associations and to cultural and recreational facilities. Our bursary program has recently surpassed \$200,000 in scholarships and we are now partnering with the local school to roll out a program to support students in an entrepreneurial program.

Our employees and board members also spend countless hours volunteering with community organizations and charitable organizations whose activities enrich the lives of all citizens. We provide financial literacy education to schools, care homes and other groups in the community and recently were directly involved in supporting the settlement of several Syrian refugees and their families into our community. Our credit union also supports small business in the region and provides innovative financing programs for new business owners with limited capital or with assisting the transition of an established business from one generation to the next.

Our submission is in response to the Department 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.

Historically, our credit union has used terms like home banking and mobile banking. Although we are not a bank, consumers have come to refer to their business dealings as "banking" with all financial institutions that have government oversight. We have spoken to them in the same language so that there is a common understanding of terms used when comparing the types of services offered between these regulated entities.

Besides the common language part of conversations we take every opportunity to differentiate ourselves from chartered banks. Our members know we are a credit union from our signage to participation in our democratic process as a co-operative. Consumers in the community, for the most part understand that distinction as well.

An example of the common use of the term Bank in everyday language occurred this morning when I was travelling to work. I saw a massive billboard with the following tag line "The only Bank exclusively dedicated to Entrepreneurs", the advertisement sponsored by the Business Development Bank of Canada. This organization is a non-Schedule 1 Bank that gets to use the common language supposedly because they have oversight from a governmental body. A situation that is completely parallel to that of the Credit Union System in Canada.

Being unable to use the verb “bank” and term “banking” will increase costs and make it much tougher for credit unions to let Canadians know about the full range of regulated financial services options available to them.

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.

For more information, please contact:

Kelly Marshall
CEO
Summerland Credit Union
13601 Victoria Road North, Summerland British Columbia
250-494-6060
kmarshall@sdcu.com
