

## **Kootenay Savings disappointed in federal regulator's decision to ban use of common terms "to bank" and "banking" by credit unions.**

**Trail, BC (July 18, 2017)** – On Friday, June 30, the federal Office of the Superintendent of Financial Institutions (OSFI) issued an advisory that essentially banned credit unions from using the term "banking" to describe the services they offer Canadians. Their advisory takes a strict interpretation of the Bank Act, and based on this interpretation, the federal government could lay criminal charges against any credit union that uses the term "bank," "banker," or "banking".

"We are obviously disappointed in this decision. It goes against all elements of common sense, and puts credit unions at a distinct disadvantage," Brent Tremblay, President and CEO of Kootenay Savings stated. "Our credit union has higher deposit protection than banks, and offers the same financial services as federally chartered banks. This decision by OSFI makes it extremely difficult for our credit union and for credit unions across this country, to compete fairly and without the fear of facing criminal penalty."

Credit unions have used the verb "bank" and the term "banking" to describe what they do, without penalty, for years with the tacit support of federal officials.

"OSFI has taken a position that is inconsistent with its past practices and with common sense," said Martha Durdin, President and CEO, Canadian Credit Union Association. "The Minister has the power to fix this so that Canadians continue to have a real competitive option to the big banks."

"Kootenay Savings invests in our local communities and plays a key role in the economic development of our region," stated Tremblay. "This ruling by OSFI will cost the Canadian Credit Union system millions of dollars. It is based on bureaucratic interpretation of wording in the Bank Act that was established in 1871 before credit unions even existed in Canada. This ruling flies in the face of logic and will cause confusion for financial services consumers," he added.

In a recent statement, Kootenay-Columbia MP Wayne Stetski called the ruling "ridiculous" and urged Finance Minister Bill Morneau to quickly amend the regulations. "In my riding, credit unions give a significant amount of their profit back to their communities every year," Stetski said. "This unconscionable ruling will cost Canada's credit unions \$80 million meaning they'll have less to give back."

### **About Kootenay Savings**

With Corporate Offices in Trail, Kootenay Savings is a member-owned credit union with eleven branches throughout the Kootenays, over \$1 billion in assets, 39,000 members and over 200 employees. As well, Kootenay Savings operates a Community Foundation, delivers wealth management strategies through its wholly owned subsidiary Kootenay Savings MoneyWorks and auto and general insurance through Kootenay Insurance Services Ltd.

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