

September 19, 2025

Roger Sobotkiewicz
Chief Executive Officer
Financial and Consumer Affairs Authority
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Response to Consultation on the Modernization of *The Credit Union Act, 1998*

Dear Mr. Sobotkiewicz:

The Saskatchewan credit union sector welcomes the public consultation on the proposed changes to modernize *The Credit Union Act, 1998*. We want to thank officials at the Financial and Consumer Affairs Authority, the Ministry of Justice and the Minister of Justice for their diligent work on the proposed bundle of amendments. Many of the recommended changes included in the consultation document were submitted on behalf of credit unions after extensive engagement over the past four years.

Saskatchewan credit unions are an integral part of Saskatchewan's economy and deserve modernized legislation that will enable them to grow and remain competitive in the financial services sector. Saskatchewan credit unions have continued to be at the forefront of innovative ways to leverage technology to serve members, including digital banking, contactless payments, and remote deposit capture. In the past 27 years, the financial services landscape has changed significantly, and the legislation governing the sector has become outdated. Modernizing the *Act* will help credit unions be more agile and competitive.

CCUA is the national trade association for Canada's credit unions and counts Saskatchewan's 31 credit unions as members, including 30 provincially regulated and Innovation Federal Credit Union. Managing over \$32 billion in assets, Saskatchewan credit unions serve approximately 513 thousand members across the province and provide 3,558 full-time jobs. Credit unions excel at serving the small and medium-sized business community, with 41% market share, and are among the largest lenders to homeowners, with 27% market share in mortgage lending.

Saskatchewan credit unions continue seeking innovative ways to help members prosper. They require governing legislation that reflects the sophistication of financial services and allows credit unions to grow. We note that some credit unions may have prepared their own submissions, and the issues raised in those submissions should also receive attention, as each credit union is an independent financial institution.



1. Lowering the threshold required to pass a special resolution from three-quarters to two-thirds

Do you agree with the proposed amendment to change the threshold to pass a special resolution from three-quarters to two-thirds? Why or why not?

Yes, we agree. Including this amendment in the next Credit Union Act legislation update would reduce the sector's red tape. Our federal and provincial governments are currently discussing removing a range of impediments that businesses face in their development. They are scanning regional business standards to seek alignment and break down regulatory barriers among provinces. In the case of a special resolution, the enabling legislation for credit unions in all other provincial jurisdictions, except Quebec, requires the two-thirds approval of members or delegates entitled to vote and properly vote on a special resolution.

Credit unions are democratically governed and owned by their members. The Boards of Directors and staff will ensure that members are always engaged and informed of significant changes, such as mergers, that may require a special resolution.

Question 2. Clarification of the process for membership termination and appeals

Do you agree with the proposed amendments to clarify and revise the membership termination and appeal processes? Why or why not?

Credit unions are encouraged by the measures being considered to enhance health and safety. The options provided to the credit union Board to consider a membership appeal are a positive step to mitigate potential risks to staff and other credit union members. Updates to this part of the legislation will be carefully monitored and may require further iteration.

As this submission will be made available to the public, CCUA is taking the opportunity to explain why these amendments to the membership termination process are being considered. Saskatchewan credit unions are owned by their members, and they value their members and their business. With nearly 513,000 members across the province, membership termination due to extreme circumstances is rare and occurs only after all other remedies have been attempted.

Membership termination is an extreme remedy which is required in extreme circumstances. Being a credit union member requires that the terms of the financial services agreement are adhered to. If a member has not been fulfilling the terms of their financial services agreement, the credit union can refuse to provide those services. The membership is not terminated, but those financial products are discontinued and are no longer available to the member. Membership termination would only be considered when a definitive action is required to completely sever the business relationship with a member due to a risk of potential harm to an employee(s) or members.

The health and safety reasons for proposing revisions of the Act with respect to membership termination are significant. As noted in the consultation document, the Government of Saskatchewan requires all Saskatchewan employers to have violence prevention policies in place. Saskatchewan Occupational Health and Safety recognizes financial services as a high-risk industry. (Source: [Preventing Violence in Saskatchewan Workplaces | Hazards and Prevention in Saskatchewan Workplaces | Government of Saskatchewan](#)) Credit unions and banks can be the targets of violent robberies, and the front-line staff of our institutions are also

vulnerable to harassment, threats or violence from clients/credit union members. While credit unions have implemented policies to protect their staff and other credit union members, structural elements of the governing legislation for credit unions need to be revised to mitigate this risk further.

Unfortunately, this is a challenge for credit unions in Saskatchewan, across Canada and internationally. As the national trade association for credit unions, CCUA has received concerns from credit unions in Saskatchewan and across Canada regarding increased threats and/or abuse of staff and sometimes Board members.

This has been a long-standing challenge for credit unions; however, during the COVID-19 pandemic, front-line staff in essential services, including many of the Saskatchewan credit union sector's approximately 3000 staff, continued to serve the public to ensure no service disruption. The financial services industry has many staff who are public-facing and serve a variety of clients/members. Similar to health care, law enforcement and the retail sector, there is a notable increase in violence against front-line workers. (Canadian Occupational Health and Safety: [Violence towards frontline workers increases amid COVID-19 | Canadian Occupational Safety \(thesafetymag.com\)](https://thesafetymag.com))

Manitoba and Prince Edward Island have amended the credit union legislation to streamline the membership termination process (Manitoba: [Bill 15, The Credit Unions and Caisses Populaires Amendment Act](#) and PEI: [Bill 54, An Act to Amend the Credit Union Act](#)). We are advised that Ontario is also considering similar measures, and Federal Credit Unions in the United States recently received an update to their governing legislation, the Credit Union Governance Modernization Act (CUGMA), to tackle the issue and ensure that the safety of staff and other members is at the forefront.

The new measures in the federal credit union legislation in the United States outline the specific circumstances under which membership termination would be considered, including:

- A substantial or repeated violation of the credit union's membership agreement.
- A substantial or repeated disruption to credit union operations, including dangerous or abusive behaviour.
- Fraud, attempted fraud, or conviction of other illegal conduct in relation to the credit union, including the credit union's employees.

The Ombudsman for Banking Services and Investments (OBSI) oversees the dispute resolution process for federally regulated banks as defined in the *Bank Act*, and it seems much more streamlined: [Relationship Ended/OBSI](#).

In summary, the proposed amendments are an improvement, and credit unions will carefully monitor their outcomes. However, future revisions may be required if the new membership termination process does not mitigate the potential health and safety risks to staff and Board directors.

3. Clarification of credit union obligations respecting the payment of certain deposits

Do you agree with the proposed clarification concerning the payment of certain deposits? Why or why not?

Credit unions are requesting clarity on this proposed amendment. Is the intention to apply this measure to registered or non-registered deposits, or both? There could be tax implications for the member depending on the response.

Section 70(1)(d) in its current form does not stipulate the payment of **future interest**. Instead, we recommend an amendment that grants the credit union discretion to repay term deposits within the one-year period with accrued interest (as presently required) or upon maturity.

Unlike membership termination, which is explicitly assigned to the Board under Section 69, the provisions regarding redemption and repayment of deposits in Section 70(1) constitute an obligation placed on the **credit union**. Accordingly, it is recommended that any discretion proposed in the amendments be allocated to the “credit union” rather than the Board.

4. Delegation of responsibilities to designated employees

Do you agree that the Board should be able to delegate the above-named Responsibilities to employees? Why or why not?

Yes. The proposed amendments streamline the Board's duties and improve the credit union's operational efficiency.

5. Other modernization and housekeeping updates

Do you agree with the proposed modernization and housekeeping amendments?
Why or why not?

Earlier in this submission, we discussed our strong support for modernizing the *Act*. The financial services sector is evolving at a blistering pace, and Saskatchewan credit unions must be equipped with modernized legislation that will allow them to remain competitive. CCUA has extensively engaged Saskatchewan credit unions to solicit their input on areas of the legislation that require updates.

Many of the housekeeping amendments listed will help the credit union reduce red tape, thus retaining precious financial and human resources that can be reinvested in credit union operations to help better serve members and to make impact investments in our communities. We are also hopeful that amendments will include provisions that will address regulatory clarity on the disposition of unclaimed property from orphan safety deposit boxes, as the *Act* and regulations do not currently reference this rare but current operational issue.

6. Other feedback

Do you have any other comments, concerns or recommendations concerning The Credit Union Act, 1998?

Canada's *Bank Act* includes a provision that triggers a legislative review every five years. The provincial governments of British Columbia, Alberta, Ontario, and Newfoundland have all recently modernized their credit union legislation, and discussions are underway in other provinces to update it. Saskatchewan credit unions must not be left behind, and a regular legislative review cycle is recommended.

Thank you for considering this submission. If you require additional information, please contact me at ltrobak@ccua.com or Vice President of Government Relations Michael Hatch at mhatch@ccua.com.

Regards,



Leslie Trobak
Director of Government Relations
Saskatchewan

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