

Intro: Welcome to the SeaComm Federal Credit Union Podcast. Your guide to financial information, and what's going on at your credit union.

Jerry: SeaComm President and CEO, Scott Wilson, joins us again. Hi, Scott. It's nice to have a chance to speak with you.

Scott Wilson: Hi, Jerry. I always enjoy these conversations.

Jerry: And we have a lot to talk about. We had quite a quarter.

Scott Wilson: So going into 2021, Jerry, it was a little bit unknown. I mean, we're coming out of 2020 at the height of COVID. There's still that obviously present, and I think that's going to continue, but we were very optimistic going into the year and we have exceeded our expectations, honestly, in terms of our financial performance.

Jerry: What do you attribute that to?

Scott Wilson: Well, first of all, obviously, our staff does a great job. They ensure that our members are taken care of, not just taken care of, but exceptionally well. And I think that reputation we have has increased our amount of business that we've done. Secondly, we're very efficient. We really watch the bottom line. We don't spend what we don't need to, in an environment like this, and you are all well aware that the interest rates that are set by the federal reserve are much lower than they were a couple of years ago.

So that does have an overall impact on us. But that said, even on our deposit side, we have stayed number one or two in all of our markets in terms of our deposit rates. And that is a direction from the board of directors who want to ensure that we're returning money back to the members who obviously trust in us in taking care of their money.

Jerry: And that's one of the ways we give back to members, is by our deposit rates.

Scott Wilson: In addition to that, our fees. One of the things that I really applaud and I talked about it, I think at our annual meeting, was the amount of money we've given back to our members who have made mistakes. For example, and error in their checkbook in terms of they've been charged an overdraft fee, they may have been charged inadvertently for something else. We gave over \$180,000 worth of fees back last year alone. We're on track to do that a little bit better. Also, like our bill pay. Our bill pay, which I love by the way, you set it and forget it. That is a free service to our members, that costs us over 165,000 a year, just in those services.

So all of those things compounded with the amount we're paying on deposits, free services, as well as refunds, we're really making sure that we're giving a return and value to our membership.

Jerry: And isn't that how a credit union's supposed to work.

Scott Wilson: That's how cooperatives do work, Jerry. But overall, I have to say, I want to do a little recap of where we are for the year. Going into the fourth quarter, year-to-date income as of today was \$6.1 million. So if we do it in comparison to last year, we're at \$6 million. So we're well ahead of that. We're forecasted probably to be around \$7 million this year. Our assets landed at \$750 million. So we've grown significantly over year-over-year, around \$93 million, I think in total asset increases. Our loans are at \$345 million.

The really important thing is that we really look for every opportunity for our members. We try to find a way to say yes and not no. So that's part of being in a credit union. We obviously are working to make sure that we're meeting the needs, the lending needs of our membership. And we do that on a daily basis. Our quality loop, that's the measure of service level we give. We survey all our members for the amount of business that they do. They may get a survey in the mail. You get one to seven, seven being the best. Overall, out of all the questions, and overall, out of the ranking, we did 6.86 as our end to third quarter, which is really, really high.

Jerry: Very high. And that just shows the member satisfaction because number one, people are filling those surveys out, which doesn't always happen. And the other thing is, the surveys are high, which means we are taking care of our members.

Scott Wilson: One of the things I always say to a member, and we do get complaints, I'm being right upfront with that, and they're few and far between, but when they do happen, we thank the member for letting us know. And I do believe our members care about us because they're letting us know when they're not getting that exceptional service. And I always say to them, and we do expect the staff to know this, that that's the only way we're going to exceed our member experiences by knowing what we can do next time to do a better job. And frankly, we do a great job. Our staff knows how to take care of their member, and that's just one way we're doing it by listening.

Jerry: So it's the training, obviously. We train our staff extensively to take care of members.

Scott Wilson: Yeah. We have our member experience team who really deal with any staff member, whether the retail side or on the back office in terms of service is our number one party. We have service promises that our new staff and current staff has had to sign, and basically, commit to the fact is we're going to take not only good care of our members, but exceptional care. Going on, I just want to talk about our financial health. We have a few rating agencies that look at us. Weiss rating has given us an A- rating, which is in the top 11% of our industry, by the way, Jerry. And Bauer Financial has given us their best, their five star rating. Similar in terms of liquidity, in terms of earnings, in terms of capital position. And Deposit Accounts also gave us an A+. So it's not just one rating agency giving us something it's all three. And we're in that A+, A to A+ tier, which is very exciting to be.

Jerry: That means members know that they can depend on us.

Scott Wilson: Yeah. I think that when you're putting a dollar into the credit union, you want to make sure that we're safeguarding it properly. And we're financially sound, which means that

we can take care of our members well, well into the future. Our capital today in terms of our federal regulator, the National Credit Union Administration says, that we have to have 7% of our assets in capital. Well, we're at 13.4, 6%. What is that equal to dollars? Over \$102 million in capital. That's money there in case something happens, a rainy day or some kind of an economic anomaly that we saw in 2008. And even through honestly, through COVID. Those were some challenging times, but we've been able to keep pace with our earnings in order to continue to serve our members and provide new services. And we're always looking to do that every day.

Jerry: So new service is important because people are looking, but any more details you need to share?

Scott Wilson: Well, I think the one thing I want to talk about is our mobile platform. We're always looking for enhancements on our mobile. And one of the major complaints we always had is I can't change my password. I can't reset my password for my mobile. Well, now you will be able to. That's being launched this week, Jerry, so fresh, hot off the press. We're really excited about that. The mobile platform really is our frontline for those who want to be served 24/7 and not have to come into a branch. Those who want to, we're happy to take care of them.

Jerry: Well, Scott, I work here. So I'm here every day, five days a week normally. I use mobile all the time. It's mobile. That's the wave of the future.

Scott Wilson: Yeah. I would like to say that I love our tellers. They do a great job, but just like you, I use my mobile to deposit the occasional check or make a transfer. Most often it's to my kids. But that reality is, is that we want to make sure that that delivery channel is as enhanced as much as possible. So we're always looking to do that. Our tech team does a great job making sure of that. But also, I want to, on top of that, say, look, if you want to come into a branch or call our call center, we're going to still do those things. Those things aren't going away, but we always have to enhance our technology in order to meet the ever-changing needs of our membership.

Jerry: And that's the thing, things are changing. We have to admit that COVID, I think has moved that change along quicker. People are getting used to doing things remotely.

Scott Wilson: Absolutely.

Jerry: I don't think it's a better thing in my own personal opinion. I like personal contact as you know, but it's the way of the future.

Scott Wilson: One of the things I think it complements, is you do not have to live in our field of membership. If you're a member already and you go to Florida, for example, or you go away to school, you're a student and you go away to school, you take your branch with you. In addition, we also belong to the co-op networks, which means you can use almost 30,000 ATM surcharge free... over 5,000 branches that you can go into. You'll be able to download it, see it on our app, make sure that those are available and do some of the

things you would do in a branch by going to those locations. Those are enhanced services, all free of charge to our members.

Jerry: That's the bottom line because of the cooperative structure, we strive to provide our membership these services free.

Scott Wilson: Absolutely. I just wanted to mention that we did open our second location in the State of Vermont, in Essex, and that's doing well. It's complimented our South Burlington branch. And I talked at the last quarterly meeting about our merger with United Neighbors. One of the things that we had committed to is looking at building a new retail branch and the board of directors did approve that. And we're involved in the due diligence right now, Jerry. And our expectation is that we hope to break ground in maybe mid-April, end of April, and be open by the end of third quarter of next year.

Jerry: Well, the Watertown market is a really exciting market for SeaComm and I think we really fit in well there.

Scott Wilson: I think about this often, about the north country. I see the north country as everything from Jefferson County, all the way over and even into Vermont.

Jerry: Correct.

Scott Wilson: We are very similar in a lot of ways. And one of the things that I think is really important is that every time I go into a new community, you can feel the vibrancy of how the community wants to take care of each other. And that really works well for us. Obviously you are involved in our Pay-It-Forward Program. You get out and talk to folks. Really, we want to be an intricate part of those communities in which we do business. And when we go into a new neighborhood, like we are in Watertown, we feel very, very welcome. Otherwise, Jerry, I think it's been a great year so far. I look forward to the end, but the reality is, is that we're going to continue to take care of our more than 51,000 members who've put their trust in us.

Jerry: Thank you, Scott.

Scott Wilson: Thank you, Jerry.

Jerry: That's SeaComm President and CEO, Scott Wilson.

Outro: That's it for this edition of the SeaComm Federal Credit Union Podcast. Thanks for joining us.