

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

Jerry: Once again, it's time to talk with SeaComm CEO and President, Scott Wilson, which means it must be the end of another quarter, Scott.

Scott Wilson: Good morning, Jerry. It is end of quarter three, and I thought that it would be a nice opportunity to talk to the members about where we are and where we're going by the end of the year.

Jerry: My question to you is where has the year gone?

Scott Wilson: It has gone very quickly, Jerry. Unfortunately, the really nice weather has left us and we have colder weather to look forward to. I wanted to mention that, financially, we're doing extremely well. We're above where we thought we would be in terms of forecast, net income year-to-date, Jerry, at \$4.4 million, which equates to a return on average asset. That's the metrics we use to look at profitability. We are at 1.05% compared to our peers that are at .80, and our peer average is any credit union above 500 million to a billion.

Our net operating expenses are well-below our 3% target budget at 2.20%; and, our capital, that's the rainy day fund, is at a 15.26%, and that equates to about \$88 million in capital that is ready for us to move forward with projects like we're doing in Vermont. Loan quality is doing well, and we use a metric of delinquency, how much delinquents we have, and we set a goal of 1.10%. We're at .54 basis points for the third quarter, and we have \$332 million in loans, Jerry, on the books.

Jerry: It's interesting you mentioned the loans because I recently did an event, an employee event at the Akwesasne Mohawk Casino, and I had numerous members come up and tell me how we were able to help them, loan for vehicle. One person was talking about a mortgage they were getting to have a house, a lot of different things. One person said, "You guys gave me a personal loan that helped me consolidate my debt," so that's what we're here for.

Scott Wilson: Absolutely, Jerry, and I always reflect back on our early beginnings and what did the Credit Union Act want us to do, and it said, "Make credit available to those who may not be able to get credit otherwise," and I think we do a fantastic job with that, Jerry.

Jerry: The numbers show it. We're obviously making a lot of loans.

Scott Wilson: We are making a lot of loans. To continue on, I just want to mention that we get rated by an independent rating agency which gives us a letter grade in terms of financial strength.

Jerry: Now, is that quarterly?

Scott Wilson: It is quarterly, and our last quarter, Weiss Rating gave us an A-minus, and we've been in the A, A-minus rating for probably about eight years, and basically, what Weiss says is that you have sufficient earnings, sufficient capital, tons of liquidity in order to meet the demands of your loans or, obviously, if you run into some issues or growth issues and things, you have plenty of liquidity to meet those demands.

Bauer Financial, they gave us a five-star rating last quarter, so, again, based on the same kind of metrics in terms of liquidity and earnings and capital, and even depositaccounts.com which gave us an A rating, based on our deposit rates for our market gave us a good rating. But I wanted to mention about the rates, whether it's on the loan side or the deposits, if you are a member and you do business with us, be sure to ask an FSR about our loyalty rewards.

Jerry: That's right.

Scott Wilson: You can either increase your deposit rate or decrease a loan based on the amount of business you do with us.

Jerry: That's a nice benefit for members.

Scott Wilson: Yeah, on the loan side, Jerry, you can get a point off the best rate we can offer you, so take advantage of that.

Jerry: Yes, I know that, Scott. I do.

Scott Wilson: Good, so, just to recap that, we're doing well financially, Jerry, and we have sufficient capital to withstand any significant economic anomaly that may come along. Obviously, there's been good news in the North Country with Alcoa selling their contract, and good news at the Seaway. They're getting a new visitor center, and I heard they finally replaced the Robinson Bay over there with a brand new boat.

Scott Wilson: Things are moving in the right direction. One of the things that we are known for, Jerry, is our community support. Part of our business model is what are we doing in conjunction with our community to make it a better place to live and work, and obviously, we continue to make sure that we're giving direct support. Whether it's a little league team getting some T-shirts or direct contribution to hospice, whatever the charity is, we usually are there in some way, shape or form. At the end of quarter three, we already gave away \$122,000 in direct support.

Part of that is our Pay It Forward Program, and as we've talked about in the past, this is an opportunity for us to give back to the community, and hopefully somebody will pay it forward, and we've done that with shopping sprees. We bought 500 smoke detectors. We helped to adopt pets in some of the Humane Societies. It's all good stuff, and one of the big things that I love is the school

supplies to help our kids out in all of our districts, so the reality is that our Pay It Forward Program is really doing a great job in making sure that we're doing good in our communities. In fact, we received what they call the Gold Award First Place for Community Engagement this year through the Marketing Association of Credit Unions, and that was because of our Pay It Forward Program, so kudos to the marketing department and all the good work that is being done with the Pay It Forward Program.

In addition, I just want to mention that one of the other things we're doing to help our community and our members is that we do have a Home Buyer Dream Program through the Federal Home Loan Bank, and we actually helped one of our members with a down payment up to 14,500. They actually were qualified for the max and were able to buy their first home. This is a first-come-first-served basis, but, certainly, inquire with the mortgage department. All the funds are gone for 2019, but, coming up in 2020, there'll be more funding available, but it is another option to assist our members in buying that first home. It's a really great program.

I did want to give a little update on Vermont. As we've talked about in the past podcasts, we are expanding into three counties in Vermont, Grand Isle, Franklin and Chittenden Counties, and we're under construction with our newest branch over in South Burlington on Shelburne Road, and we'll be finished, Jerry, about mid-December with that. There'll be some training and some things we'll work out, and we'll open the day after Martin Luther King Day, and we'll be open for full service there in that market.

We also are looking and working to build two additional branches in... one in Essex and one in St. Albans. The Essex is on track for building of 2020, so we hope to start construction around May, early May of 2020, and then St. Albans the year thereafter, so things are moving along in that market. We're very excited to be there. It's good for the credit union. As we continue to diversify our markets, we'll be able to make sure we're around for the long haul and, coming soon, we're going to have instant-issue credit cards.

If you've come into our retail branches and you've lost or had compromised on your debit, you were able to walk away with a new debit card. Coming soon, we'll be able to do that on our credit card side, so, Jerry, if you had lost your credit card or you had a problem with it, you could come into the branch and say, "Gee, I'm going on a trip. I got to have my credit card," we'll be able to instant issue you one and so you can walk out using it.

Jerry: Of course, with the SeaComm Pay app, then you can keep track of when your credit card is used.

Scott Wilson: Absolutely, so if you don't have it, download it and begin to use it. The next thing is loan engine, Jerry, and what that is, is an enhancement to your experience of getting a loan at SeaComm. When you log into your NetTeller, there will be offers available to you that you can choose to make a decision on a

loan. There might be an offer, a new car, an ATV, maybe a signature loan or credit card. Whatever it is, you'll be able to click and accept and be able to get a loan very quickly.

We understand that your time as a member is very valuable, and if this is one way we can assist in making your life easier, we're happy to do it.

Jerry: Basically, we're leveraging the technology to make things very smooth.

Scott Wilson: Absolutely.

Jerry: Scott, it's always a pleasure to chat, and exciting things happening at SeaComm, and let's keep going.

Scott Wilson: Absolutely. Thank you for your time, Jerry.

Jerry: My pleasure. Scott Wilson, President and CEO at SeaComm.

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