

Jerry:

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

Once again, we have the opportunity to speak with SeaComm president and CEO, Scott Wilson. Scott, welcome and it's nice to chat with you.

Scott Wilson:

It is, Jerry, I always enjoy these opportunities.

Jerry:

We recently held our annual meeting, which is a way for you and the board to get information out to the membership about the credit union. This podcast is another way for you to do that.

Scott Wilson:

Yes. Not everyone attends the annual meeting and now it's only virtual. So I think it's really important that I convey this information to our members who want to get it through this podcast.

Jerry:

So what do you have to tell us, Scott?

Scott Wilson:

Well, first of all was our 61st annual meeting. It's hard to believe that another year is gone, come and gone. But I just want to highlight some of the things in 2024, then I'll go over what we've seen already in 2025 and we'll have a little more conversation. Okay. So one of the things I think is always important to the highlights is a membership growth. We had nearly 3%, our earnings exceeded our budgeted target forecast. We really have strong core profitability, Jerry, in fact, we're above peer in our asset category, which is a half a billion to a billion across the US. Undivided earnings, 119 million. That's keeping in line with our strategic growth targets. And their assets as of the first quarter of this year was \$776 million. We really have a robust liquidity position with an average daily balance of about \$40 million.

Some statistics. I think it's kind of interesting to see the services that are used by our members. We had 518,047 teller transactions during the year. One of the things I said at the annual meeting is when I came on board as CEO in 2007, we had a million checks in transactions that were happening through the system, and you can see that that has reduced, it halved in the 18 years.

Jerry:

Even though we've grown.

Scott Wilson:

Even though we've grown substantially because of electronic services, more than a hundred million dollars in new loans were written and dispersed. Today, our portfolio exceeds 426 million. 138,651 calls received in the call center. That's a 2% increase year over year. \$38 million in total indirect loans dispersed. That's where somebody goes to a dealer, they're able to get their auto finance right from there, and we take care of that. 14,036 on average mobile users per month. That's an 8% increase year over year.

Now, a little bit of change on that is we have the new Access Digital, so we'll be reporting on those numbers a little bit differently because it's unique to each individual.

126,753 check images were deposited via mobile deposit capture. We've been seeing an average 3% to 5% year over year. Again, I think that's taken away from the teller transactions.

We averaged a 6.82% in our overall member satisfaction score. That's our quality loop. So if you come in and do a transaction or call in the call center, you might get a survey and you're able to rate our staff, from everything from was it accurate to friendliness and overall experience. So 6.82 out of 7 is a pretty good average. And by the way, since we've been doing this since 2006, we have consistently had those types of levels of service even though the credit union's grown.

Jerry:

That speaks to our great staff, Scott.

Scott Wilson:

It does, and we keep our eye focused on service, ensuring that our members get what they expect and deserve. We refunded more than \$220,000 in fees back to our members. We paid out \$364,051 in debit and credit scorecard point rewards, and I know Jerry, you love those.

Jerry:

I do indeed, Scott.

Scott Wilson:

Bill pay convenience, Jerry, we set it and forget it. I love bill pay. That cost a hundred thousand dollars and it's no cost to our members. So we absorb those costs. Saves you on stamps, right?

Jerry:

Oh, it does.

Scott Wilson:

We had nearly \$40,000 was given away in our Pay it Forward program. We paid for everything from tubing passes, lunches, zoo admissions, movie tickets, library books, and so much more. Too many to name. We gave away 10 high school students scholarships, a thousand dollars each, and more than \$428,000 was donated in communities in which we serve, including the refurbishing of the marquee at the Massena Downtown Theater. By the way, I have seen that Jerry, and it's all ready to go. They just have to install it. A new scoreboard at the Massena Arena. It's the SeaComm scoreboard.

Jerry:

I'll clap on that one, Scott.

Scott Wilson:

So now you don't have to kind of lean over to see the score, Jerry, for yourself.

Jerry:

That's right.

Scott Wilson:

And we gave a hundred thousand dollars to Great Care right here. St. Lawrence Health Campaign in Potsdam Hospital. And the Federal Home Loan Bank of New York, which we're a member, provided us \$50,000 of those dollars to be given away. So that's a really nice add value to us.

We paid out \$8.8 million in dividends to our members, which is \$2.1 million more than we did the year prior and twice as much as we did in 2022. So as rates went up, we obviously continued to pay our member better dividends and they were able to use loyalty rewards and stack those on our open rates as well. And I just want to mention loyalty rewards, the enhanced side, you're also able to reduce a loan rate up to 1%.

Our members are also enjoying our shared branching and co-op ATM services. I know, Jerry, you're shaking your head because you use it. It is really interesting. I very seldom carry much cash and when I went away not too long ago, I had to look for an atm. So I used the co-op ATM app to find out where I can go to a local credit union so I can get my cash without any fees, because I don't like paying fees either. So it is really a nice service that we provide. And by the way, there are nearly 30,000 of those ATMs available nationwide.

Jerry:

I was in Cooperstown to see the Hall of Fame, the baseball Hall of Fame, and I needed some cash. So I pulled out the app. It was three doors down, the credit union.

Scott Wilson:

That's great.

Jerry Manor:

It was great. I walked to it and got the money I needed.

Scott Wilson:

3,224 in shared branch transactions means you can visit a branch of another credit union that participates in this and do some of the similar things you do here. Withdraw money, obviously pay a loan, do a wire, whatever those things are, and it's all free to our membership. And the interesting thing about that, there's about 5,600 branches available all over the US as well.

Fraud in 2024, nearly 700 million American records were leaked. Consumers lost \$12.5 billion due to fraud up from 10 billion the year prior, Jerry. That was according to the Federal Trade Commission in 2024. There were some recognizable brands that were breached, including AT&T, actually, they had two of them last year.

Jerry:

That's right.

Scott Wilson:

Disney, Ticketmaster and Adobe just to name a few and billions, and this is interesting, billions of records in a single cyber attack was had in the national public data breach, including yours truly. So if you hadn't known about that, I think you can search and most people's names will be on that list.

During the year, our members experienced \$548,564 in fraud on debit and credit. That's up 12% from the year prior. We issued more than 2000 new debit and credit cards due to fraud and the loss to our members, zero. No cost to our members.

Jerry:

In other words, SeaComm has our backs.

Scott Wilson:

Yes, we have a zero-loss policy on our Visa brand on both debit and credit, and we think that's really important. We do all the legwork. We don't ask you to go out and contact the airline if there's fraudulent airline tickets on your credit card. We do that. We give a provisional credit. We ask you to sign an affidavit. We go out and actually do the work on that. But we don't want you to be without your money. If there is something that happens like that, due to fraud or a data breach.

As an industry, we continue to ask Congress to pass legislation which makes retailers subject to the strict data standards like we are under through the Gramm-Leach-Bliley Act. Today, retailers are not obligated to come forward when they are breached. They eventually do, but if they could come out earlier, that would probably prevent some of those dollars from being lost.

Our personal financial advisor services, Mat Hastings is our advisor. 10 years we're celebrating this year of that service chair. It's hard to believe.

Jerry:

It really is. I remember the day I met Mat here. Seems like yesterday.

Scott Wilson:

And when we had no money in the asset center management. Today we have over \$87,119,467. That was the end of 4/30 of this year. One of the things that we tout is we assist our members who are having some financial difficulty. We use a company called GreenPath, and I will tell you that they have helped countless members of ours get through some difficult times. 3,091 times last year, our members had contact with a GreenPath staff member. They had just under one million dollars of consumer debt managed for our membership, and we paid for this service on behalf of them.

But we also have, which I love, is our in branch certified financial counselors, and they're in all our locations now, who work with our members who are experiencing those economic difficulties and help improve their financial outlook through that in-person counseling here.

Jerry:

You know, sometimes when you're having a problem, you need that outside voice to give you a different perspective and that might solve it right there.

Scott Wilson:

Yeah, sometimes it's just you have to be aware of things and what alternatives there are. One of the things that we love to talk about is that we're a Great Place To Work certified company. Last year we were certified. 97% of our employees—Jerry, and I'm sure you're one of them— who said that when you joined the company, you're made to feel welcome. That's a pretty significant number in terms of engagement and we're happy to be part of that elite group.

We have an excellent capital position. Capital is our rainy day fund and we're required by regulation to have capital in reserve. We have ample liquidity, as I mentioned earlier on and solid sustainable strategy to continue the growth we're on. As I mentioned earlier, we maintain above peer, in not only retained earnings, but also in our asset growth in terms of we keep our delinquency in check and our net charge-offs. All those things that are critical in terms of the balance, in terms of net income.

We're going to continue to focus on ensuring that we consistently exceed our members' service satisfaction. As I mentioned through the quality loop, we do measure that. So that's what happened in 2024.

As you know Jerry, we launched Access Digital, a new online platform, both desktop and mobile. Our old system NetTeller was sun-setted and we were required to go to a new platform. We were already using Access Digital for our mobile, but the online we didn't. So now it's on one, and you see a very different change in terms of services.

So for example, one of the things I love, my kids are always asking me for a few bucks here and there. And so once I set them up in my transfer, then their names are there. I can just click it and it makes it easier for me having to add account numbers, where it's going, it's all set it and forget it. And there's so many more things. Debit card controls, pay your credit card, apply for a loan. Anything you think you can do, you can do it on our new online mobile application.

Jerry:

We love to see our members here at SeaComm. We love when they come in and we can deal with them in person, but that's not always convenient for our members. So having these digital services makes it really easy.

Scott Wilson:

Absolutely. Our I-Talk platform on our call center, you can call in, you can do that 24/7 if you choose. You want to talk to a person during business hours, you can do that as well. So these are all to make it convenient for our members to use at any time.

We also asked our regulator, the National Credit Union Administration to expand into four additional counties in Vermont. So we're now able to serve not only Grand Isle, Franklin, Chittenden, but also Addison, Lamoille, Orleans, and Washington. As a credit union, we're restricted to where we can do business and this allows us to serve more members in the Vermont market.

If you haven't got one, our Tap and Go has launched for the debit side and now we're starting to see the credits going out. I have to tell you, Jerry, I have a tap and go both on the debit and credit and it is so easy just to tap. You put your PIN, usually it's required pin at the merchant side and you put it and you're done. And not all of them require a PIN. So I was using a carwash in Watertown, and it's always hard to reach down to get that card in and out. I just tapped and it was done. As those things enroll our members, it's a nice add value to get that card in your hand, both debit and credit.

Jerry:

But there is a cost to this.

Scott Wilson:

There is a big cost to us, but we think that it's important that we put these new technologies in place with our members so that it makes it more convenient for them.

Jerry:

Well, I know when you're deciding on providing these services, you do an analysis, you decide, will this really benefit the members? And this is a service we feel does.

Scott Wilson:

And the interesting thing is, some of the larger financial institutions, the Bank of Americas and JP Morgan Chases, have this stuff and we have to do it when it's prudent for us in terms of getting ready to launch a new product like this. As you say, we have to analyze everything because every dollar counts.

And today that makes sense to us and we're making sure our members are going to get a service that they really have wanted. Not everybody wants it, but there are a number of members who have asked for it. So now here it is. We're also launching probably in about a month, Guided Wealth. So I mentioned Mat Hastings in terms of the advisor services. It's all well and good if you want to come in and talk with Mat. But if you choose to go in a direction like you can serve yourself, we're going to have a link on our website and on our mobile application that you can guide yourself through the same services on your own. So that's one of the new features you're going to start seeing, and we'll have more to come on that from the marketing standpoint.

Jerry:

That's kind of exciting.

Scott Wilson:

It is. So I'm excited to see that happen as well. I wanted to mention two board members were re-elected to their seats. Patricia Dodge, who's celebrating her 50th year of service as a volunteer at the credit union. And then Thomas Hannon, he was re-elected as well. So, we had a couple of directors re-elected.

I want to thank our staff. Without that, and I know you mentioned earlier, everyone on the front line to the back office, ensuring that our members are taken care of every day the way they expect to be treated. I can't say enough without everyone working in that direction, we would not be where we are today. So I wanted to thank them. And obviously then, I want to thank our 55,550 members for the continued trust they put in us and the services we provide.

Jerry:

So SeaComm continues to grow to serve our members.

Scott Wilson:

Yeah, I think it's really important. The growth comes with doing a good job, ensuring we're taking care of our members. We don't have this asset size goal. We don't have like a billion dollars we want to be by a certain time. I think just making sure we're doing things steady as she goes. We'll be around for the long haul.

Jerry:

Scott, it's been a pleasure as always.

Scott Wilson:

Same here. Jerry. I always appreciate this.

Jerry:

We've been talking with Scott Wilson, President and CEO here at SeaComm. That's it for this edition of the SeaComm Federal Credit Union podcast. Thanks for joining us.