

Credit Union Times

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Coastal Shows Members the Love

The North Carolina credit union gives back \$3.6 million in special dividends.

By Jim DuPlessis | February 17, 2021



Source: Shutterstock.

Coastal Credit Union dropped \$3.6 million into members' accounts on Valentine's Day as a special dividend.

The Loyalty Bonus from the federally chartered credit union based in Raleigh, N.C. (\$4 billion in assets, 277,399 members as of Dec. 31) represents about \$13 per member and 0.1% of its net income for the 12 months ending Sept. 30, 2020. Its \$16.6 million in net income was 0.47% of its \$3.6 billion in average assets for the period.

The payouts of \$5 to \$300 were shared among nearly 69,000 of its members and were based on Coastal's overall performance in 2020.

"Despite the challenges presented by COVID-19 (<https://www.cutimes.com/2020/04/03/cus-pledge-over-800000-to-groups-impacted-by-covid-19/>), we had a strong finish to 2020, and our financial results enabled us to once again share with our members," President/CEO Chuck Purvis said.

"Loyalty Bonus is more than a dividend payout to our members," he said. "It's a way to reward them for making us their first choice when it comes to financial services, and demonstrates our principles as a member-owned cooperative."

Over the past 10 years, Coastal has returned \$25.1 million to members as special dividends. Each year, the credit union also looks at the overall Member Giveback, the cumulative positive impact it has by saving money for members on their everyday financial needs.

"We calculate the difference in our loan rates, deposit dividends and fees, compared to the banks in our market, and add in the value of other membership benefits throughout the year." Joe Mecca, VP of communication, said.

"Despite a year of a tighter rate market and seeing COVID-related shutdowns limit our ability to offer discounts and rewards, we still managed to identify more than \$31 million in member savings during 2020, or \$114 per member," Mecca said.

Also, BHCU of Ridley Park, Pa., 23 miles southwest of Center City Philadelphia along the Delaware River (\$198.8 million in assets, 8,415 members as of Dec. 31) paid members \$80,000 in December as Member Giveback Rewards. The amount represents about \$10 per member and 4 bps of its 12-month return on average assets of 0.66%.

Since the program began in 2009, BHCU members have received \$1.8 million in Member Give-Back rewards. The special dividends are based on dividends paid on share savings accounts (2%) as well as interest paid on loans (3%).

This year BHCU members were able to use them to pay-it-forward for some of the most at-risk youth in Delaware County.

Ryan Conte, BHCU head of member experience, said 2% of the special dividends were donated back to the BHCU Kids Foundation, benefiting abused and neglected children in Delaware County.

"We are grateful to have such loyal members and for some of them to donate their Giveback Bonus back to the BHCU Kids Foundation speaks volumes for the type of people we serve," Conte said.

So far this season, *CU Times* has tallied (<https://www.cutimes.com/2021/02/04/las-vegas-members-hit-the-1-5-million-prize/>) 35 credit unions that have announced \$206.8 million in special dividends. The amount represents about \$43 for each of their 4.8 million members as of Sept. 30 and 27 bps of their 12-month ROA of 0.90%.

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