

## **VolCorp Gives Back in an Extraordinary Way**

The spirit of giving is a common theme during the month of December. VolCorp recently took this to heart, and on December 31, 2021, gave back in an extraordinary way by issuing a \$15 million special dividend.

In 2021, the NCUA began making distributions from the U.S. Central Asset Management Estate (AME). These distributions represented the funds recovered since Corporates and some Natural Persons Credit Unions absorbed charge-offs all those years ago. (VolCorp was one of only five Corporates, known as *The Solvent 5*, whose members were not forced to write off any of their capital.) VolCorp received distributions for a portion of its claims on its own capital that was written off at U.S. Central and was also the beneficiary of distributions for its subsequent merger partners in West Virginia and Kentucky. The question quickly arose, “How do we give some of this money to the credit unions in our field of membership who experienced charge-offs during the economic crisis?”

VolCorp initiated contact with the NCUA and the TDFI (Tennessee Department of Financial Institutions) to explore their options and the possibilities of how they could do the right thing with these funds. In their mind, “the right thing” was to distribute funds to those who experienced charge-offs and to retain the remainder as it represents the retained earnings of each of the three corporates who make up VolCorp as we know it today. The Federal Credit Union Act did not allow VolCorp to “replenish capital” for credit unions, but it did allow them to pay non-pro rata special dividends to 146 member credit unions who endured charge-offs through their previous corporate affiliations in West Virginia and Kentucky.

VolCorp devised a plan and started sending out notices, and, in some cases, CEO, Jeff Merry, and CFO, Justin Holt, began making calls to the credit unions who have unique circumstances to make sure they were well taken care of. One thing is for sure, there was a commonality with every conversation – each credit union was shocked and very grateful.

One credit union CEO reached out to VolCorp and conveyed her gratitude for the distribution:

*“I would like to express my sincerest appreciation for the special dividend distributed to our credit union. Your gift made it possible for us to grant generous Christmas gifts to our valued employees to show how much we appreciate their efforts as they continue serving our members while short staffed and while working through personal losses created by the pandemic. This gift made it possible for us to pay it forward at a time that meant so much to us all, making our holiday season so special. Thank you for upholding and honoring the credit union philosophy of people helping people.”*

VolCorp was thrilled to be able to obtain these funds and provide a special dividend to the credit unions who experienced charge-offs, as well as to retain the portion of the distributions that should stay on their own balance sheet. By paying this special dividend, VolCorp is confident everyone will be stronger going forward.

*VolCorp’s mission is to inspire credit unions to reach new heights by providing dynamic payment solutions, custom investment services, and unparalleled member service. Headquartered in Nashville, Tennessee, VolCorp has been serving the credit union movement since 1981.*

*VolCorp equips credit unions with the products and services to help them prosper. Our new CUSO, Symphony, offers guidance to credit unions in critical areas such as Business Continuity Management, Enterprise Risk Management, Information Security, and Supervisory Committee Audits. To learn more about VolCorp, please visit [volcorp.org](http://volcorp.org).*