

Dividends Tumble

Last quarter, the dividend with the year-end bonus was 1.85% in the upper tier. The economy was expanding and all indicators were pointing to a strong 2020. Then came the coronavirus and the economy tanked. Prior to the virus outbreak, the Federal Reserve Board (FRB) lowered interest rates by fifty basis points (0.50%). When the virus took hold in the United States, the FRB in an emergency move, lowered the interest rates by another one hundred basis points (1.00%). Since DOY's investments are mostly in short term CDs, DOY's investment income has been lowered considerably. It also means for DOY to remain competitive, it had to lower its loan rates. Therefore, DOY's two main streams of income have decreased enough for the Board of Directors to decide to lower dividends. At its last meeting, the Board lowered the upper tier rate to 1.00% and all other tiers accordingly. Although the rates have been lowered, they far outdistance all other savings rates in the area. In fact, they even outdistance most short-term CD rates. Again, the Board has maintained its philosophy of diverting a major portion of its quarterly income to the members in the form of high dividend rates and lower loan rates. Just look at these great rates!

Note: Institution rates remain the same as the 4th quarter of 2018.

SHARE AMOUNT	TOTAL DIVIDEND	APY DIVIDEND
\$10-\$199.99	0.000%	0.000%
\$200-\$999.99	0.200%	0.2002%
\$1000\$-,4999.99	0.500%	0.5011%
\$5000-\$9,999.99	0.600%	0.6017%
\$10,000-\$19,999.99	0.800%	0.8029%
\$20,000 - and up	1.000%	1.0046%
Checking accts	0.500%	0.5011%
Institutional accts		
\$10-\$499.99	0.000%	0.0000%
\$500-\$4,999	0.045%	0.0450%
\$5,000-\$10,000	0.050%	0.0500%
\$10,000 & up	0.060%	0.0600%