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CASE STUDY

Velera Pay Network and Coastal Credit Union

**Optimizing PIN Debit Performance
Generates Additional Non-Interest Income**



THE CREDIT UNION

Coastal Credit Union

Founded in 1967, Coastal Credit Union is a member-owned financial cooperative serving nearly 350,000 members across North Carolina, with a strong presence in the Triangle region. Coastal is known for its commitment to innovation, digital banking leadership and community engagement, helping members bank better to live better.



THE CHALLENGE

As regulations evolved and debit transaction routing dynamics became increasingly complex, Coastal Credit Union sought a strategic approach to optimize PIN debit performance while maintaining the flexibility to adapt to future market and regulatory changes.

For Daniel Rathfelder, Vice President of Loan Operations at Coastal, debit card network strategy represented an important but often overlooked opportunity to strengthen non-interest income without disrupting existing operations.

According to Rathfelder, "We wanted to understand what was happening in the market before making a change. We were watching how transaction volumes were shifting, how regulations were affecting the ecosystem and what opportunities might exist to improve performance over the long term."

- **350,000+ members**
- **Approx. \$6.3 billion* in assets**
- **22 locations**
- **Serves members across North Carolina, with a strong presence in the Triangle region**
- **coastal24.com**

THE SOLUTION

A longtime Velera partner, Coastal turned to Velera's Pay Network solution to assess how debit routing optimization could improve performance.

Working closely with Velera's payments experts, Coastal analyzed transaction volumes, network performance and interchange opportunities to identify the optimal debit routing strategy.

Implementation was simple and seamless, and the conversion required only minor back-end adjustments and little staff involvement.

"The implementation was essentially a non-event. Outside of our cards team, most people didn't even know the change occurred," noted Rathfelder.

In addition to the financial benefits, Coastal valued the flexibility of the solution. The credit union wanted a strategy that could adapt as regulations, network economics and payment trends evolved. Pay Network provided a way to optimize performance while maintaining the ability to respond to future market changes without requiring Coastal to take on the complexity of a network conversion project.

"The PIN network space is incredibly complex. We were able to have data-driven conversations with Velera's team and evaluate opportunities in a way that would have been difficult to do independently."

– **Daniel Rathfelder**
Coastal Credit Union





THE RESULTS

Within the first year of implementation, Coastal achieved measurable financial gains while preserving operational flexibility.

- Increased PIN debit interchange revenue
- Generated approximately \$30,000 in additional monthly income
- Improved profitability on PIN debit transactions
- Avoided a complex network conversion project
- Gained ongoing strategic guidance from Velera payments experts

Processing approximately \$2.5 billion in annual debit card transaction volume, Coastal was able to realize substantial gains from what appeared to be relatively small per-transaction improvements.

"What sounds like a small change per transaction becomes significant when you're processing millions of transactions. The results have remained very stable for us, and we've seen a meaningful increase in income," said Rathfelder.

For Coastal, Pay Network has become an important component of its strategy to maximize non-interest income and strengthen long-term financial performance.

SUMMARY

By implementing Velera's Pay Network solution, Coastal Credit Union increased interchange income, optimized PIN debit performance and achieved a seamless implementation with minimal operational impact.

Pay Network from Velera helps credit unions optimize debit network performance and maximize interchange revenue. Leveraging the collective scale of more than 300 participating financial institutions, the program helps credit unions strengthen network economics, manage costs, maintain compliance and make informed decisions through actionable analytics.

For more information, call 844.367.7728 or visit [velera.com](https://www.velera.com).

"Having a partner that's actively monitoring the market, understanding the contracts and looking for ways to optimize performance creates real value."

**- Daniel Rathfelder
Coastal Credit Union**



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