



Member Expulsion/Limitation of Services Policy
Reviewed By: Supervisory Committee
Board Approved Date: 6/23/2020

General Policy Statement

This policy outlines the various actions, up to and including expulsion from membership, which United Credit Union may take in response to member behavior that is illegal, threatening, abusive, or otherwise disruptive to Credit Union operations and/or any activity that causes a financial loss, is associated with fraud, and/or increased reputational or regulatory compliance risk to the Credit Union. Any suspension or limitation of service is subject to the discretion of appropriate management personnel.

This policy is enacted to address certain unacceptable conduct and protect the Credit Union's members, employees, property and cooperative bond.

Guidelines

1. **CRITERIA FOR LIMITING SERVICES AND ACCESSIBILITY:** All members are entitled to maintain a single share (defined as the par value share or membership share) in the Credit Union and are eligible to attend, participate and vote at the annual and special meetings of the members and maintain a share account. No other access to products, services, or facilities is a right of membership. All such access may be eliminated, reduced or limited at the discretion of the Credit Union.
 - A. **MEMBER IN GOOD STANDING.** A member in good standing is a member who:
 - i. Maintains at least a minimum share, as defined within the Credit Union's bylaws;
 - ii. Has not committed fraud or any other misdeed against the Credit Union;
 - iii. Has not violated the policy of the Board by having any account with the Credit Union closed due to abusive or negligent behavior;
 - iv. Has not caused a financial loss to the Credit Union, for example, by failing to pay amounts due under a loan, or failure to provide collected funds to cover withdrawals or checks or failure to pay fees or other charges;
 - v. Has not violated the Board's policy prohibiting violent, belligerent, disruptive, or abusive activities such as:

1. Engaging in or threatening violence, intimidation, threats, harassment, or physical or verbal abuse of duly elected or appointed officials or employees of the Credit Union, members, or agents of or vendors to the Credit Union. This includes actions while on Credit Union premises and in person and through use of graphic, print, telephone, mail, email or other electronic methods;
2. Openly engaging in verbal, print or electronic disrespect for the race, religion, age, gender, national origin, perceived or actual disability or protected self-identification of any member, employee, Director, agent or vendor of the Credit Union;
3. Causing or threatening damage to Credit Union property or assets;
4. Engaging in unauthorized use or access of Credit Union property;
5. Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union; or
6. Any actions that may cause material risk or financial or reputational harm to the Credit Union or to the security and safety of the Credit Union's members, employees, Directors agents or vendors.

B. LIMITING SERVICES. The Credit Union may limit services for any member who is not in good standing. For violent, belligerent, disruptive, or abusive activities, the Credit Union will limit services when there is a logical relationship between the activities and the services to be suspended. For example, if a member is verbally or physically abusive to a Credit Union employee or other members, the Credit Union may refuse to permit the member onto the Credit Union premises and/or may further restrict the availability of certain services to limit personal contact with Credit Union employees or members. Whether one is a member in good standing will be determined by the sole discretion of the Credit Union and Credit Union's Management.

C. MEMBER NOTIFICATION. The Credit Union will notify the member of what accounts, services or accessibility have been discontinued or will be denied.

2. EXPULSION FROM MEMBERSHIP.

A. BY THE MEMBERSHIP. A member may be expelled from the Credit Union for any reason by a 2/3rds vote of the Credit Union members present at any regular or special membership meeting at which the matter is called. The member who is being considered for expulsion will be given an opportunity to be heard at the meeting.

- B. **BY THE BOARD OF DIRECTORS.** A member who is not a member in good standing may be expelled by a majority vote of a quorum of the Directors of the Credit Union if the Directors believe that the member's transgression is serious enough. The Board's assessment of the seriousness of the member's transgression is totally within the Directors' discretion, the exercise of which will not establish a precedent. The member has no appeal rights and no right to be heard in the case of a Board expulsion, although the board, in its discretion, may extend such rights on a case by case basis, which will not establish a precedent.
- C. **BY MANAGEMENT.** The Board has delegated the power to expel a member for a serious act or omission that deprives the member of the status as a member in good standing. The delegation has been made to the Credit Union's President/CEO, Chief Financial Officer and Chief Retail Operating Officer. If a member is expelled by a member of this Management Team, the member has the right to file a written appeal with the Board within 30 days of the expulsion. The Board's decision on appeal will be final and binding. The Board may grant the expelled member a hearing at its discretion, but the member will not have any right to a hearing.
- D. **FOR NON-PARTICIPATION.** In addition to failing to maintain one's status as a member in good standing, a member can be expelled by the Board for nonparticipation in the Credit Union. A member who has failed to vote in annual Credit Union elections or failed to purchase shares from, obtain a loan from, or lend to the Credit Union for an extended period of time may be deemed to be non-participatory and expelled from membership.

3. MEMBER'S LIABILITY. Expelled members shall continue to be liable to the Credit Union for any outstanding amounts owed to the Credit Union. The Credit Union will ensure that this provision will be stated in its membership agreement provided to members upon acceptance to Credit Union membership. An expelled member will receive a return of all assets deposited with the Credit Union, once all of the member's indebtedness has been satisfied.