



Membership Expulsion and/or Service Limitation Policy

This policy outlines the various actions, up to and including expulsion from membership, which Electrical Federal Credit Union (Credit Union) may take in response to 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 not enacted to restrict the rights of membership, but rather to address certain unacceptable conduct and protect the Credit Union's members, employees and property.

1. **CRITERIA FOR LIMITING SERVICES.** 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 reduced or limited at the discretion of the Credit Union.

A. **MEMBER IN GOOD STANDING.** A member in good standing is a member who:

- Maintains at least their minimum share, as defined within the Credit Union's bylaws (Membership Booklet);
- Has not had any account with the Credit Union closed due to abuse or negligent behavior;
- Has not caused a financial loss to the Credit Union;
- Has not engaged in violent, belligerent, disruptive, or abusive activities such as:
 - 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 the Credit Union. This includes actions while on Credit Union premises and through use of telephone, mail, email or other electronic method;
 - Causes or threatens damage to Credit Union property;
 - Unauthorized use or access of Credit Union property;

- Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union; or
- Any actions that may cause material risk or financial harm to the Credit Union.

B. LIMITING SERVICES. The Credit Union may limit services for any member that 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 violent, belligerent, disruptive, or abusive activities has occurred will be determined in the sole discretion of the Credit Union and Credit Union's Management. Services which may be denied include, but are not limited to:

- Entering the Credit Union property;
- Calling the Credit Union by telephone;
- Obtaining consumer and mortgage loans of any type;
- Share Draft accounts and related services;
- Debit/ATM cards;
- Any and all deposit products other than the standard share account, such as certificates and IRAs;
- Online and Mobile Banking and online related services;
- Cashier's checks, money orders or any other monetary instrument.

C. MEMBER NOTIFICATION. The Credit Union will notify the member of what accounts or services have been discontinued or denied by telephone or by written communication sent

2. **EXPULSION BY MEMBERSHIP.** The Chairman of the Board of Directors shall subsequently call a special meeting of the membership for the purpose of expelling a member from the Credit Union who is not in good standing. A member may be expelled from the Credit Union by a 2/3rds vote of the Credit Union members present at the special meeting. The member who is being considered for expulsion will be given the opportunity to be heard at this meeting.
3. **EXPULSION BASED ON NONPARTICIPATION.** 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 may be deemed to be non-participatory and expelled from membership without a special meeting of the membership.

- A. **NOTIFICATION TO MEMBER OF EXPULSION POLICY.** At least thirty days prior to the effective date of this policy, the Credit Union will mail to each member at their current mailing or email address a copy of this policy. New members shall be given this policy at the time of account opening.

- 4. **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.

Effective: 08/01/2021

Electrical Federal Credit Union