



**POLICY:** MEMBER CONDUCT–EXPULSION POLICY

**AREA OF RESPONSIBILITY:** BRANCH ADMINISTRATION

**BOARD APPROVAL DATE:** SEPTEMBER 28, 2023

**EFFECTIVE DATE:** OCTOBER 1, 2023

**LAST REVISED:** SEPTEMBER 2023

Pima Federal Credit Union's shared values include service excellence, teamwork, integrity, engagement and community involvement. The Credit Union recognizes that with every interaction, we have a unique opportunity to build upon those values for the good of each member, each employee and for the good of the Credit Union.

In the interest of protecting the assets of Pima Federal Credit Union and maximizing dividends to members, the Board of Directors has adopted the following Member Expulsion Policy in reference to member conduct. This policy provides for sanctions including the denial of services, up to member expulsion for members who have caused the Credit Union a loss or who have engaged in actions that put the Credit Union, the employees and/or members, at risk of loss, liability or harm.

## Potential Sanctions

Any or all of the following sanctions may be imposed against a member or other person(s) who has engaged in unacceptable conduct:

1. Taking down financial services (i.e. restricting ATM usage, cards, remote deposits, deposits, and/or withdrawals).
2. Denial of services other than the right to maintain a share account and the right to vote at annual meetings and special meetings.
3. Denial of services which involve personal contact with credit union employees.
4. Denial of access to Pima Federal Credit Union premises.
5. Expulsion from membership.
6. Taking other action as deemed necessary under circumstances that is not expressly precluded by the Federal Credit Union Act, the NCUA Rules and Regulations, or Pima Federal Credit Union's Bylaws.

Final expulsion of a member will be conducted in accordance with NCUA Rules and Regulations and Article XIV of Pima Federal Credit Union's Bylaws.

In all cases the member will be notified of sanctions orally or in writing. Notification for potential expulsion will be made in writing. Sanctions may result from the situations described below:

## Unacceptable Member Conduct

For the purposes of this policy, and as provided in Article XIV, Section 3 of Pima Federal Credit Union's Bylaws, unacceptable member conduct includes, but is not limited to, any of the following or similar conduct involving the Credit Union or on Credit Union premises:

### Member-Caused Loss

- ▶ Member failure to pay amounts due under a loan. "Amounts due" include, without limitation, principal, interest, fees and charges, insurance premiums, collection agency charges or attorneys fee incurred in collecting amounts due under a note or guarantee, in repossessing and liquidating collateral under a security agreement or in obtaining a deficiency judgment.
- ▶ Member failure to provide collected funds to cover share account withdrawals or to cover personal share drafts written.
- ▶ Member failure to pay fees or charges due the Credit Union for any reason.

## Member Actions

- ▶ Members who engage in check kiting, attempted or actual deposits of known counterfeit checks or other non-negotiable items, attempted or actual theft of credit union or other member's funds, or similar activities whereby the member attempts to obtain funds not legally payable to the member.
- ▶ Members who threaten staff.
- ▶ Members who engage in abusive language or inappropriate conduct on Credit Union premises.
- ▶ Members who engage in abusive conduct or language directed at staff based on sex, race, national origin, marital status, sexual orientation, physical or mental impairment, or age.
- ▶ Members who make false, malicious, or libelous statements about any employee or the Credit Union and its services, operations, policies, practices or management.
- ▶ Members who deliberately or repeatedly violate security procedures or safety rules, misuse or damage property, or possess or use drugs or alcoholic substances on Credit Union premises.
- ▶ Members who fail to protect blank personal checks and/or ATM or debit cards as evidenced by repeated claims of lost or stolen checks and/or plastic cards and unauthorized transactions (particularly when forgeries are committed by persons living in the member's household) or engage in similar activities resulting from repeated failure to keep accounts, passwords or multi-factor authentication information and Personal Identification Numbers (PINs) secure.
- ▶ Members who attempt to coerce or interfere with Credit Union employees in the performance of their duties at any time.
- ▶ Members who conduct or attempt to conduct or engage in any fraudulent, dishonest or deceptive activity of any kind involving Credit Union employees or Credit Union services.
- ▶ Member who substantially or repeatedly violates of the Pima Federal Credit Union Membership and Account Agreement.
- ▶ Members who fail to purchase and maintain the appropriate number of shares in the Credit Union (Non-participation).
  - The Federal Credit Union Act authorizes the Board of Directors to adopt this policy of member expulsion based on non-participation in the federal Credit Union. In the event that a member is deemed a non-participant, the member may be expelled from the Credit Union without a member vote (by Credit Union management as authorized by the Board).

## Member-Caused Loss Exemption/Exception

Notwithstanding the foregoing, a member who caused a loss, but in the sole discretion of the management of the Credit Union, establishes that the loss was unavoidable and the result of extraordinary hardship resulting from: loss of job, serious family illness, dissolution of marriage, or death in the immediate family, may remain eligible for membership.

## Authority

The Board of Directors authorizes Credit Union management to determine the level of sanctions necessary. If member expulsion is required, the Board of Directors will handle in accordance with the Credit Union's Bylaws.

## Notice to Members

Members will be notified of sanctions. Depending upon the circumstances, members may be given 30 days before account closure to allow time for outstanding checks to clear or for the member to make other arrangements for automatic deposits and withdrawals.

## Member Expulsion

In the event a member causes a loss or commits any actions towards the Credit Union that necessitates member expulsion, the Board of Directors will follow the procedures stated in the Bylaws, Article XIV, Expulsion and Withdrawal.

## Our Common Purpose is Helping Others

Pima Federal Credit Union greatly appreciates the opportunity to serve our members during every interaction and asks for wholehearted member cooperation with respect to the Member Conduct - Expulsion Policy.