

1.0 Policy Statement

The purpose of this Policy is to define circumstances under which Polish & Slavic Federal Credit Union ("PSFCU") may limit services offered to members, joint account holders and users, and define circumstances under which PSFCU may expel members.

2.0 Privilege of Membership

2.1 The PSFCU membership is a privilege. It is not a right. PSFCU has no obligation to open a membership account or to extend any services to any particular person. Being qualified to apply for membership (i.e., being within the field of membership of PSFCU) does not obligate PSFCU to approve any person or entity for membership, when it is in the best interests of PSFCU to deny such a privilege. This applies to new applicants as well as to any persons whose membership is terminated for any reason who reapply for membership at a later time.

2.2 Once a membership is established it remains in effect until that person or entity chooses to withdraw or is expelled in accordance with the FCU Act and Article XIV of PSFCU's bylaws.

2.3 PSFCU reserves the right to limit services to any member, joint account holder or user and expel any member who violate any PSFCU policies, procedures, standards, agreements with PSFCU; or applicable laws, regulations or rules; and where the PSFCU in good faith determines that it may incur any loss; or face exposure to any risks to the PSFCU.

2.4 In the event the member is subject to sanctions and/or limitations of service, PSFCU shall preserve such member's fundamental membership rights. The Federal Credit Union Act provides each member of a federal credit union two fundamental rights:

- To maintain a share account, and
- To vote in annual and special meetings

All additional accounts and/or services are provided solely at the PSFCU discretion and may be rescinded or revoked at any time without notice.

2.5 PSFCU may also restrict or deny any joint owner or other authorized user of any account(s) or service(s) who has caused the PSFCU any loss; may cause the PSFCU a loss; exposes the PSFCU to any risk; or otherwise has violated any PSFCU policies, procedures, standards, laws, regulations or other rules as otherwise addressed herein. This includes the right to terminate existing use of account(s) and/or services as appropriate where such joint owner is

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not entitled to the protections of membership as addressed in the NCUA Gen. Counsel Op. Letter No. 05-0723 (Sept. 20, 2005).

3.0 Sanctions

Services may be denied to members, account holders or users who engage in any of the following:

- cause a loss to the Credit Union (through bankruptcy, or any other means);
- abuse Credit Union services;
- are delinquent on Credit Union loans;
- maintain negative balance;
- is threatening, abusive, disruptive, obscene, harassing to PSFCU staff, officials or other members
- illegal behavior
- engages in fraudulent activities or illegal transactions
- injures any person or damages any property while on Credit Union premises or at any Credit Union function,

Denial of service entails:

- closure of sub-account or revocation of service
- denial of access to PSFCU premises
- denial of access to those services or products which involve personal contact with PSFCU employees or officials
- limitation of contact with PSFCU to written communications via U. S. mail only or other remote access device designated for that purpose.
- any other actions deemed to be in the best interest of credit union under the circumstances that is not precluded by the applicable federal or state law.

Threats of any nature conducted on PSFCU premises, over the phone, or through other means of communications will be reported to the local authorities. Where necessary and appropriate Executive Management, at their sole discretion may seek a restraining order against any member who poses a threat to the safety of PSFCU staff and/or officials.

For purposes of this policy, “abusive conduct” includes but is not limited to the following conduct:

Engaging in offensive or abusive physical contact; making false, vicious, or malicious statements about any credit union employee or fellow members of the credit union and its services, operations, policies, practices or management, using profane, abusive, intimidating, or threatening language towards credit union employees or fellow members; making or suggesting threats of bodily harm or

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property damage to an employee or their family members; attempting to coerce or interfere with credit union employees in the performance of their duties at any time; conducting or attempting to conduct or engage in any fraudulent, dishonest or deceptive activity of any kind, involving credit union employees or credit union services; any posting, defacing or removing notices or signs on credit union premises; writing on credit union bulletin boards without management authorization; appropriation or misappropriation of credit union funds, property, or other material proprietary to the credit union; immoral conduct or indecency on credit union premises; deliberate or repeated violations of security procedures or safety rules; possession, use or being under the influence of drugs or alcoholic substances on credit union premises; or fighting or possession of weapons of any kind on credit union premises except for on-duty law enforcement officers or security officers; any type of harassment, including age, sexual, ethnic, or racial harassment, making racial or ethnic slurs, engaging in sexual conduct, making sexual overtures; making sexual flirtations, advances, or propositions; engaging in verbal abuse of a sexual, racial, or ethnic nature; making graphic or degrading comments about an individual or his or her appearance; displaying sexually suggestive objects or pictures;

These limitations shall not prohibit member(s) from exercising their rights under federal or state law or regulation.

4.0 Expulsion of Member

4.1 The only “for cause” expulsion is for reason of nonparticipation defined as

- failure to vote in PSFCU’s annual elections;
- failure to purchase shares or obtain a loan from PSFCU;
- failure to maintain the minimum balance required in a share account for six months or more

4.2 Member may be expelled for any reason at the special meeting held for this purpose.

4.3 Expulsion of members is conducted in accordance with Article XIV of PSFCU Bylaws:

“Section 1. Expulsion procedure; expulsion or withdrawal does not affect members’ liability or shares. A member may be expelled by a two-thirds vote of the members present at special meeting called for that purpose, but only after the member has been given the opportunity to be heard. A member also may be expelled under a nonparticipation policy adopted by the board of directors and provided to each member in accordance with the Act. Expulsion or withdrawal will not operate to relieve a member of any liability to this credit union. All amounts paid in on shares by expelled or withdrawing members, before their expulsion or withdrawal, will be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting any amounts due to this credit union.”



**POLICY MANUAL
142.00**

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5.0 Uniformly and Impartially Applied

PSFCU will ensure that this policy is uniformly and impartially applied to all members.

6.0 Policy Approvals

This policy shall be reviewed and approved by the Board at least every 3 years.