

Member in Good Standing

General Policy Statement:

The following sets forth SECNY Federal Credit Union's policy on what constitutes a member in good standing.

Guidelines:

(1) MEMBER IN GOOD STANDING. Upon approval of a membership application by a majority of the directors and deposit of the required minimum shares and payment of a fee if required by the Board of Directors, an applicant is admitted to membership and is considered a member in good standing. Once a person becomes a member, that person may remain a member until the person chooses to withdraw or is expelled in accordance with applicable federal and state law and Credit Union bylaws. However, a member who draws his or her share account balance below the required minimum balance will cease to be a member in good standing if the minimum balance is not restored.

(2) WITHDRAWAL OR EXPULSION OF MEMBER. A member who withdraws all of his or her shares, fails to purchase the required number of shares within the time period set forth in the Credit Union's bylaws, or causes a loss to the Credit Union ceases to be a member in good standing. The membership of such a person shall terminate in accordance with the Credit Union's bylaws. A member may be expelled by a majority vote of the members of the Credit Union at a special meeting called for that purpose or annual meeting after the member has an opportunity to be heard. Once expelled, the member is no longer a member in good standing.

(3) LIABILITY. Withdrawal or expulsion of a member does not relieve the person from liability to the Credit Union for any and all amounts for which the person is liable.

(4) RESTRICTION IN SERVICES. A member or former member who is not a member in good standing shall not be eligible for Credit Union services.

Denial of Service and Loss Expulsion

General Policy Statement:

The Credit Union reserves the right to deny services or expel from its membership any member who has caused the Credit Union a loss through failure to repay a debt or otherwise.

Guidelines:

(1) SERVICE DENIAL AND EXPULSION CRITERIA. A member who has caused the Credit Union a loss, but has indicated to the Credit Union an intent to repay all or a portion of that loss in a manner that is acceptable to the Credit Union (in the discretion of management), and who is in fact following through with repayment arrangements, may have services restricted and/or denied. The Credit Union CEO, or his/her designee, will periodically determine which members satisfy the foregoing criteria.

(2) **NOTIFICATION TO MEMBER OF EXPULSION POLICY.** The Credit Union will notify members who have caused the Credit Union a loss of the Credit Union's denial of service and expulsion policy and will provide such members with the opportunity (as deemed appropriate by Credit Union management) to indicate to the Credit Union their desire to pay their debts and to begin repayment. This policy is available on our website.

(3) **MEMBER'S FAILURE TO RESPOND.** The Credit Union's CEO will provide the President of the Board of Directors a list of members have failed to show the Credit Union their intent to repay their debt in an acceptable manner.

(4) **SPECIFICS OF DENIAL OF SERVICES.** In the event that the Credit Union sustains a loss from a member's handling of their loan or deposit obligations with the Credit Union, that member may be denied access to any and all Credit Union services including but not limited to ATM and debit cards, borrowing privileges, checking accounts, check cashing privileges (excluding on-us items), direct deposit and official check services. Prior to a recommendation for the member's expulsion, the only service required to be made available to a member shall be their basic share savings membership account. In the case of a potential or actual Credit Union loss resulting from a bankruptcy filing, the following guidelines shall be in force:

(a) Once notified of a bankruptcy filing, the Credit Union will generally suspend all of the member's ATM, debit card and available line of credit privileges immediately, so as to protect the Credit Union from further exposure to loss. The member's attorney will be notified of these actions by the Credit Union's attorney.

(b) In the event of a Chapter 7 bankruptcy filing where the member files an intent to reaffirm Credit Union obligations with the court, services may be restored to the member after the bankruptcy is discharged, so long as the reaffirmation agreement is in place and debts have been brought current within prescribed timeframe.

(c) In the event of a Chapter 13 bankruptcy filing, the same suspension of service process shall apply, as noted above, until Credit Union attorneys have reviewed the plan to determine how the Credit Union's debts will be repaid. Members who choose to repay their Credit Union obligations outside of the Chapter 13 plan, may have services reinstated immediately, at the discretion of Credit Union management. For those paying inside the plan, for less money than owed to the Credit Union, standard denial of service policies will remain in place.

(d) In the event of a bankruptcy related loss, the member shall generally have services denied no later than 2 weeks following the discharge of the bankruptcy, or sooner, at the discretion of management, particularly where continuation of services might pose additional risk of loss to the Credit Union.

(4) **SPECIAL MEETING.** In the event that member expulsion is recommended, the President of the Board of Directors shall subsequently call a special meeting of the membership or include an expulsion agenda item for the annual meeting, for the purpose of expelling such members in accordance with the procedures prescribed by the bylaws of the Credit Union.

Member and Third Party Harassment Expulsion

General Policy Statement:

It is the policy of this Credit Union to expect fair and polite treatment of its employees by Credit Union members. The Credit Union reserves the right to deny services or on-site access, or to expel from its membership any member or third party who verbally or physically harasses Credit Union employees in any manner.

Guidelines:

(1) **EXPULSION CRITERIA.** If a member is verbally or physically abusive to a Credit Union employee, the Credit Union may deny services or on-site access, or to expel such member from its membership. Whether verbal or physical abuse or harassment of a Credit Union employee has occurred will be determined in the sole discretion of the Credit Union and the Credit Union's management. As an interim step, which can lead to member expulsion, the Credit Union may deny abusive members the use of Credit Union services, except for the share membership account, and may also deny the member access to Credit Union facilities under existing, pre-notification criminal trespass laws.

(2) **NOTIFICATION TO MEMBER OF EXPULSION POLICY.** The Credit Union may include possible expulsion provisions in its membership and account agreement. This policy is also posted on our website and available at each of our locations. The Credit Union will notify a member who has harassed Credit Union employees of the Credit Union's decision to deny services, deny access to facilities and to expel the member. The Credit Union may provide the member with the opportunity (as deemed appropriate by Credit Union management) to indicate to the Credit Union their desire to cease the harassing behavior and to treat Credit Union employees with respect. After such notice, if the member continues his or her verbal or physical abuse and harassment of Credit Union employees, Credit Union management may exercise all of its available rights under this policy, including placing the member's name on a list for expulsion that will be provided to the Board of Directors.

(3) **SPECIAL MEETING.** For denial of services and denial of facility access, no special meeting is required. For member expulsion, the President of the Board of Directors shall subsequently call a special meeting of the membership or at the annual meeting for the purpose of expelling such members in accordance with the procedures prescribed by the bylaws of the Credit Union.

Member and Third Party Behavior Policy

a. For the purpose of this policy, "abusive conduct" includes, but not by way of limitation, any of the following conduct:

- Any type of harassment, including 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; engaging in offensive or abusive physical contact.
- Making false, vicious or malicious statements about any Credit Union employee or 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, including Social Networking activities.

- 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; conviction of armed robbery or fraudulent acts against any financial institution.
- Any posting, defacing, or removing notices or signs on Credit Union premises 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; use and/or possession of, 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.

b. Any or all of the following sanctions may be imposed against a member who engages in abusive conduct:

- Denial of all services.
- Denial of services which involve personal contact with Credit Union employees.
- Denial of access to Credit Union premises.
- Taking any other action deemed necessary under the circumstances that is not expressly prohibited by the Federal Credit Union Act, NCUA Rules and Regulations and the Credit Union's Bylaws.

If deemed necessary, the CEO or EVP will forward a letter to the member indicating either that any future inappropriate behavior toward SECNY employees or premises will result in service restrictions, or that severity of the most recent situation warrants that restrictions be imposed.

If warranted, legal authorities may be contacted in the protection of credit union employees or property.

Reinstatement of services will be considered upon written request by the member, provided the member agrees to refrain from such behavior in the future. Documentation for reinstatement would be in the form of a letter to the member and a copy kept in our file.

The credit union reserves the right to initiate any and all civil and/or criminal actions against perpetrators.