



2500 – Limitation of Services Policy
Adopted Nov. 21, 2019

Purpose and Scope

The Board of Directors has determined that the privilege of Credit Union Services available to members must be reserved for members who are in “good standing” with the Credit Union. This policy is enacted to address standards of member conduct in order to assure the rights and protection of the Credit Union’s employees, volunteers and members.

The Board of Directors recognizes that the Credit Union’s outstanding reputation is due in large part to the loyalty, commitment and continued efforts of its employees and volunteers. The Board is committed to fair treatment of the employees of the Credit Union with the respect they deserve and is committed to maintain a workplace free from any type of abuse. This policy is not enacted to restrict the rights or freedoms of anyone but rather to address certain unacceptable conduct in order to assure the rights and protection of the Credit Union’s employees.

In the event that any member or non-member engages in any type of abusive conduct towards a Credit Union member, or a Credit Union volunteer engaged in Credit Union business, the CEO or his or her designee, is authorized to apply appropriate remedial measures against such individual and is hereby authorized to impose sanctions against any member who engages in any type of abusive conduct.

In that regard, any or all of the following sanctions may be imposed against a member who has engaged in abusive conduct:

- Denial of all services other than the right to maintain a share account and the right to vote at annual meetings and special meetings.
- Denial of services that involved 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 precluded by the Federal Credit Union Act, Vermont and/or New Hampshire state regulations, NCUA Rules and Regulations, or the Credit Union's Bylaws.
- Expulsion from membership following a vote of the membership at a special meeting.

For purposes of this policy, "abusive conduct" includes but is not limited to, any of the bullet points below under "abusive behavior".

In the case of continued abusive behavior, a member shall be subject to expulsion from the Credit Union at a special meeting of the members or at the next annual meeting of the membership.

These limitation shall not prohibit a member from exercising his or her rights under federal or state law or regulation.

This policy shall be applied only to the action of members that occurs more than thirty (30) days after the adoption of the policy and notice to the membership through the credit union's Web Site.

Member Conduct and Limitation of Services

"Abusive behavior" includes, but is not limited to, any of the following conduct:

- Any type of harassment, including age, sexual, ethnic, or racial harassment; making racial or ethnic slurs, engaging in sexual conduct; making sexual overtures, or any other basis protected by federal, state or local laws.
- Threats of bodily harm or any other illegal activity against any Credit Union employee, volunteer, or other member will be reported to appropriate federal, state and/or local authorities.
- Inappropriate touching.
- Making 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.
- Conducting videotaping or photography of any kind of the inside or outside premises of a Credit Union property without express written prior consent.
- Fighting, kicking or other physical harm or attempted harm towards a credit union member, employee, or volunteer engaged in credit union business.
- Making false, vicious or malicious statements about any credit union employee or volunteer or the credit union and its services, operations, policies, practices, or management.

- Cursing or other abusive or vulgar language directed towards a credit union member, employee, or volunteer engaged in Credit Union business.
- Using profane, intimidating, or threatening language.
- Possession, sale, use or being under the influence of an unlawful or unauthorized substance on Credit Union premises or at a Credit Union function.
- Attempting to coerce or interfere with a Credit Union employee or volunteer in the performance of their duties at any time.
- Uncivil conduct or failure to maintain satisfactory or harmonious working relationships with other members, employees, or volunteers at the Credit Union.
- 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.
- Inappropriate postings to proprietary social media (e.g., Instagram, Facebook, Twitter, etc.), that include discriminatory remarks, harassment, and threats of violence or unlawful conduct.
- 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.
- Any other act which endangers the safety, health or well-being of another person or which is of sufficient magnitude that causes disruption of business at the Credit Union. This is not an exhaustive list and only used as an example of types and behavior that may be viewed as “abusive” by the Credit Union.

This policy shall extend to any member “not in good standing” who seeks member services, whether directly or indirectly through a Credit Union account. This policy shall also apply to any person who has access to Credit Union services directly or indirectly through a member who is considered to be “not in good standing” with the Credit Union.

A member will not be considered to be “in good standing” with this Credit Union if:

- The member fails to comply with the terms and conditions of any lawful obligation with this Credit Union and causes the Credit Union to suffer a “monetary loss” as defined below;
- The member manipulates – or otherwise abuses – Credit Union services or products to the detriment of the credit Union’s membership; and/or
- The member engages in “abusive behavior” as defined below, or otherwise injures any person or damages any property while on Credit Union premises or at any Credit Union function.

The determination of whether a member is in “good standing” with this Credit Union will be made at the sole discretion of the Senior Management of this Credit Union. Any member deemed to be “not in good standing” will reported at the next, regular board meeting.

For purposes of this policy, “not in good standing” is defined as causing the credit union a loss in excess of \$50.00. Any member of Northern Lights Federal Credit Union who has caused a loss and either:

- Has not voluntarily repaid the credit union for this loss, or
- Is not in the process of voluntarily repaying the credit union for this loss, may be expelled from membership of the credit union.

Definitions

“Member services” are hereby defined as any products or services now or hereinafter provided or sponsored by the Credit Union or otherwise made available to Credit Union members, which services shall include, but are not limited to:

- Loans,
- Deposit accounts,
- Checking (share draft accounts)
- ATM services,
- Online banking,
- Remote Deposit Capture
- And any and all other electronic fund transfer services.

A “monetary loss” to the credit union occurs when the credit union writes off as uncollectible any monies that the member owes, for whatever reason, to the credit union.

For loans the monetary loss is defined as the principal amount of any monies owed and written off as uncollectible. The amount of the monetary loss does not include interest and expenses. Participating in a debt relief program does not relinquish their obligation to the credit union.

For shares the monetary loss is defined as the negative balance in the share account written off as uncollectible.

For ATM/Debit Card services: Any ATM/debit card issued by the credit union is the credit union’s property. The credit union may repossess/not reissue an ATM or debit card at any time in its sole discretion without demand or notice to the member.

This policy will be reviewed annually by the Board of Directors to insure that the policy is current and complies with any existing regulations and implementation procedures are adequate.