

## **OCEAN FINANCIAL FEDERAL CREDIT UNION ABUSIVE MEMBER POLICY**

Last review and approval November 18, 2019

### **PURPOSE**

The purpose of this policy is to protect the employees and members of Ocean Financial Federal Credit Union (Credit Union) from abusive members or other persons. It is the policy of the Credit Union to expect fair and polite treatment of its employees and its members. The Credit Union reserves the right to limit services to or expel from its membership any member who is verbally or physically abusive to the Credit Union employees or other members, in any manner. In addition, the credit union reserves the right to limit services to or expel from its membership any member who continually distracts or disrupts Credit Union employees in the course of their day to day business responsibilities. Furthermore, it is the policy of the Credit Union to expel from its membership all members who have caused the Credit Union a loss through failure to repay a debt or otherwise, or based on nonparticipation by a member in the affairs of the Credit Union. This policy is not enacted to restrict the rights and freedoms of anyone, but rather to address certain unacceptable conduct in order to assure the rights and protection of the credit union's employees and members.

### **GUIDELINES FOR EXPULSION OR LIMITATION OF SERVICES:**

#### **EXPULSION CRITERIA:**

If a member is inappropriate, verbally abusive or physically abusive to a Credit Union employee or other members, or continually creates a distraction or disturbance to a Credit Union employee in the course of their business day, the Credit Union may refuse to permit the member onto the Credit Union's premises and/or expel the member from its membership. Whether verbal abuse, physical abuse or inappropriate, disturbing or distracting behavior has occurred will be determined in the sole discretion of the Credit Union and the Credit Union's management\*.

**1. EXPULSION BASED ON LOSS:** A member who has caused the Credit Union a loss, but has indicated to the Credit Union an intent to repay that loss in a manner that is acceptable to the Credit Union (in discretion of management), and who is in fact following through with repayment arrangements, will not be expelled. The Credit Union management will periodically determine which members satisfy the foregoing expulsion criteria.

**A. 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 expulsion policy and will provide such members with the opportunity (as deemed appropriate by the Credit Union management) to indicate to the Credit Union their desire to pay their debts and to begin repayment.

**B. MEMBER'S FAILURE TO RESPOND.** The Credit Union management will provide the Chairman of the Board of Directors a list of members who, after having been notified of their proposed expulsion, have failed to show the Credit Union their intent to repay debt.

\*Credit Union management is defined as all "Chief" Level Executives.

**C. SPECIAL MEETING.** The Chairman of the Board of Directors shall subsequently call a special meeting of the membership for the purpose of expelling such members, after they have been given the opportunity to be heard, in accordance with the procedures prescribed by the bylaws of the Credit Union.

**2. 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.

**A. NOTIFICATION TO MEMBER OF EXPULSION POLICY.** At least thirty days prior to the effective date, the Credit Union will mail to each member at their current address a copy of this policy. This policy is also made available on the Credit Union's website. New members will be provided written notice of this policy upon applying for membership.

**3. 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 the Credit Union membership. The Credit Union will also disclose this provision on their website.

**4. CRITERIA FOR LIMITING SERVICES.** If a member is inappropriate, verbally abusive, or physically abusive to a Credit Union employee or other members, or continually distracts or disturbs Credit Union employees from carrying out their business responsibilities, 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 verbal abuse, physical abuse or inappropriate behavior has occurred will be determined by the sole discretion of the Credit Union and the Credit Union's management.

**5. NOTIFICATION OF MEMBER POLICY.** The Credit Union will include this policy on member abuse in its new membership and account agreement and on its website. The Credit Union will notify a member who violated the policy of the Credit Union's decision to limit services to 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 abusive or inappropriate behavior and to treat the Credit Union employees or other members with respect. After such notice, if the member continues his or her actions, the Credit Union's policy will be implemented.

**6. BOARD MEETINGS.** The Credit Union will comply with their applicable Credit Union Act and conduct Board Meetings to address either the limitation of services or member expulsion, as appropriate.

If a member is denied all services, the membership share will remain in the share account until the member closes the account or the share is absorbed by fees. The Board recognizes that all credit union members have a fundamental right to maintain a share account and to vote in annual meetings. This policy shall in no way limit those rights. Additionally, any suspension or denial of services shall not violate the Federal Bankruptcy Act or other applicable state laws.