



CURTAILMENT OF MEMBER SERVICES AND MEMBER EXPULSION POLICY

Purpose and Objective

It shall be the policy of the City & County Credit Union ("Credit Union") that the Board of Directors of the Credit Union may curtail services to members or expel a member of the Credit Union for non-participation in the affairs of the Credit Union or "cause" pursuant to Minnesota Statutes section 52.19.

This policy is established to define the course of action in the event the Credit Union deems it necessary to curtail member services or expel a member of the Credit Union.

Definitions

Abusive conduct (See Appendix A for additional information)

Any type of harassment, however communicated, including age, sexual, ethnic, or racial harassment; making sexual flirtations, advances or propositions; making graphic or degrading comments about an individual or his or her appearance; using profane, abusive, intimidating, or threatening language towards Credit Union employees or fellow members; 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; 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; 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.

Cause (2019 MN Statutes definition)

A loss to the credit union, a violation of the membership agreement, fraud, attempted fraud, other illegal behavior or inappropriate behavior as defined by credit union policy such as physical or verbal abuse of credit union members or staff.

Fraud

Any activity that is based on false information or the intent to deceive regardless of monetary gain. This will include, but will not be limited to: opening an account with false/fake information, conducting transactions using lost/stolen or manufactured instruments, and falsely claiming fraudulent account activity.

Monetary losses

For the purposes of this policy, "monetary loss" shall include, but not be limited to, a member's failure to pay on demand a payment, fee, charge, or other cost owing to the Credit Union whether as a result of a loan from the Credit Union to such member or otherwise.

Sanctions

It shall be the policy of the credit union to impose any or all of the following actions against members (non-members) who participate in any of the above defined activities in regards to the credit union:

1. Denial of all personal contact with credit union employees. Services can be limited to either Internet or U.S. mail. The member would retain the right to maintain a share account and the right to vote at annual meetings and special meetings unless further action was taken by the board of Directors.
2. Removal of products or services other than a \$5 membership share savings account.
3. Access to the Credit Union premises may be denied.
4. Taking any other action deemed necessary under the circumstances that are not expressly precluded by Minnesota Statute, the National Credit Union Administration Rules and Regulations or the Credit Union's Bylaws.
5. Threats of any nature may be reported to the local authorities.
6. Expulsion from membership.

Re-establishing Good Standing (monetary losses)

Members may regain their good standing and eligibility for services with the credit union, as though no loss had occurred, if full restitution is made for any monetary loss to the credit union. Satisfactory arrangements may be made for repayment as mutually agreed upon by the member and the President or Executive Vice President - Operations and/or their designee.

It will be presumed that the credit union will incur a monetary loss if a member does not reaffirm or make acceptable payment arrangements for money owed within 30 days of notice.

Credit Union Communication (abusive conduct)

When an abusive member situation has taken place the employee should notify their supervisor immediately. The situation may escalate through the proper channels as necessary including but not limited to the VP of that department, CEO and VP of HR. Information will be reviewed pertaining to the incident. This may include notes on prior interactions, call recordings and security video footage.

- If the member continues to display unpleasant behaviors on more than one occasion or the one-time circumstances are serious, it would be prudent for a Senior Manager to discuss the situation with the member in an attempt to resolve the issue.
- Written notice of the Credit Union's intent to curtail services or expulsion will be mailed to each member individually or jointly held at the current address appearing on the records of the Credit Union.

The sequence of actions detailed above is a recommended guideline for resolution of conflicts, mistreatment, abuse, or harassment of our employees by our members. Nevertheless, each instance should be handled on a case-by-case basis and the evaluation of actual events should determine the best course of action.

Roles and Responsibility

- Credit union employees are responsible to:
 - Report abusive conduct when directed towards them or observed, to their immediate supervisor or in the absence of their supervisor, the next level of management. Any incidents that warrant action need to be reported to the president/CEO or Security Officer.
- Credit union management is responsible to:
 - Determine when abusive conduct has occurred (based on this policy) when reported by an employee, member or other person;
 - Recommend the appropriate actions to take regarding employee and member protections; notify the president/CEO who is hereby authorized to take the appropriate actions relating to

the member or other person. In the president's absence, the Security Officer is authorized to take such action; and

- Ensure notice of the policy is communicated to members.
- Special Accounts department is responsible to:
 - Process, determine, and collect member accounts in which the Credit Union has sustained monetary losses.
 - Special Accounts will notify members of service restrictions.

Any Vice President may initiate action for abusive members or their non-member representative.

Process for Expulsion for Cause

Member will be notified of the credit unions intent to expel them from membership by sending a notice, with a copy of the approved policy, to the address on file.

The expulsion of any member pursuant to this policy shall be effective 30 days from notification of expulsion in cases of abusive behavior and non-participation. Instances of fraud will result in immediate removal of services and expulsion from membership

Review

This policy will be reviewed and revision recommendations made to the Board of Directors annually.

Record Retention

Records of Curtailed Member Services will be retained in accordance with the Credit Union Record Retention Policy and defined schedules as determined by the type of grievance, sustained loss and applicable circumstances and recovery methods.

Appendix A: Abusive Conduct Defined

For purposes of this policy, "abusive conduct" includes but is not limited to the following conduct whether carried out in person, writing, telephonic or electronic transmission:

- a) Any type of harassment, including that on the basis of race, color, religion, national origin, gender, age, physical or mental disability, veteran/military status, sexual orientation/affectional preference, status with respect to public assistance, or any other characteristic protected by applicable law;
- b) Making racial or ethnic slurs or jokes or making sexually explicit jokes;
- c) Engaging in sexual conduct or making sexual flirtations, overtures, gestures, advances or propositions;
- d) Engaging in verbal abuse of a sexual, racial or ethnic nature which includes the use of threats, epithets, derogatory comments or slurs;
- e) Making graphic or degrading comments about an individual or his or her appearance;
- f) Displaying sexually suggestive objects or pictures;
- g) Engaging in offensive or abusive physical contact which includes unwanted touching, assault, impeding or blocking movements;
- h) Making false, vicious or malicious statements about any credit union employee or the credit union and its services, operations, policies, practices or management;
- i) Using profane, abusive, intimidating or threatening language towards credit union employees or fellow members;
- j) Making or suggesting threats of bodily harm or property damage to an employee or their family members or property damage towards the credit union;
- k) Attempting to coerce or interfere with credit union employees in the performance of their duties at any time;
- l) 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;
- m) Any posting, defacing or removing notices or signs on credit union premises;
- n) Writing on credit union bulletin boards without management authorization;
- o) Appropriation or misappropriation of credit union funds, property or other material proprietary to the credit union;
- p) Immoral conduct or indecency on credit union premises;
- q) Deliberate or repeated violations of security procedures or safety rules;
- r) Possession, use or being under the influence of drugs or alcoholic substances on credit union premises;
- s) Fighting or possession of weapons of any kind on credit union premises except for law enforcement officers or Security Officers; or

t) Retaliating against the employee for making or threatening to make a complaint about the harassment or behavior.