



Loss-Causing Member Policy

1. PURPOSE

The Board of Directors has determined that the privilege of Credit Union services available to members should not be extended to members who cause the Credit Union's membership to suffer financial loss.

The Credit Union's principal focus is ensuring and enhancing the wellbeing of its membership. The Credit Union is committed to protecting the membership as a whole from financial losses caused by an individual member by restricting access to services that may subject the credit union and its membership to further financial losses.

In the event that any member causes the Credit Union to suffer a "pecuniary loss," the CEO, or his or her designee, is authorized to apply appropriate remedial measures with respect to such individual.

2. SCOPE

This policy shall extend to any member determined to have caused the Credit Union to suffer a "pecuniary loss," as defined below, who seeks member services whether directly or indirectly through a Credit Union account with another person. Any member determined to have caused the Credit Union to suffer a "pecuniary loss" will be reported at the next regular board meeting.

3. DEFINITIONS

- a. "Member services" includes, but is not limited to, any products or services now or hereafter 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 or share drafts, ATM services, online banking services, and other electronic fund transfer services.
- b. A "pecuniary loss" to the Credit Union occurs when the Credit Union writes off as uncollectible any monies which the member owes, for whatever reason, to the Credit Union.
 - i. For loans: the pecuniary loss is defined as the principal amount of any monies owed and written off as uncollectible. The amount of the pecuniary loss does not include interest, expenses, or legal fees.
 - ii. For shares: the pecuniary loss is defined as the negative balance in a share account written off as uncollectible.

4. POLICY

The Credit Union may deny all member services, other than the right to maintain a share account and the right to vote at annual and special meetings, to any member determined to have caused the Credit Union to suffer a “pecuniary loss.” Moreover, the Credit Union may take any other action deemed appropriate under the circumstances that is not precluded by the Federal Credit Union Act, NCUA Rules and Regulations, the Credit Union’s Bylaws or other applicable federal or state law with respect to any member determined to have caused the Credit Union to suffer a “pecuniary loss.”

5. EFFECTIVE DATE

This policy shall be applied only with respect to the action of members that occurs more than 30 days after notice of its adoption to the membership through the publication on the Credit Union’s website.