



■ FEDERAL CREDIT UNION ■

NON-PARTICIPATION POLICY

OBJECTIVE This policy establishes limitations and restrictions of services for members, joint owners or joint borrowers (collectively referred to herein as “members”) who are not in good standing with GHS Federal Credit Union (“Credit Union”). The policy protects Credit Union Directors, Supervisory Committee Members, personnel, members, employees, members, volunteers, and vendors (collectively “Credit Union Related Parties”) from abusive members or other persons. GHS Federal Credit Union will not tolerate members or other persons who are abusive, whether it be over the phone, in-person, or through electronic media. Our intent is not to restrict anyone’s rights and freedoms, but rather to address certain unacceptable conduct to assure the rights and protections of Credit Union Related Parties.

The Board of Directors believes that all members and employees should be able to conduct business without fear of harassment or without fear of disruptive or abusive conduct as a result of their membership or employment with the Credit Union. The Board of Directors recognizes that the Credit Union’s outstanding reputation is due in large part to the loyalty of its members and the commitment and continued efforts of its employees. The Board is committed to treating the members and employees of the Credit Union with the respect they deserve, and endeavors to maintain a work place free from disruptive or abusive conduct.

DEFINITIONS:

Good Standing. A member is not in “Good Standing” with Credit Union if they meet any of the following requirements:

- Fail to comply with the terms and conditions of any lawful obligation with Credit Union and/or causes Credit Union to suffer any monetary loss, as defined in Section III.
- Manipulate or otherwise use Credit Union services or products in the furtherance of any illegal purpose.
- Engage in threatening, abusive, disruptive, harassing, or illegal behavior during any communication with Credit Union Related Parties while on Credit Union premises or at any Credit Union function.
- Inflict injury to any person or damage any property while on Credit Union premises or at any Credit Union function.
- Credit Union’s C.E.O. and V.P.s have the sole discretion within the limits of this policy to determine if a member is in Good Standing.

Member Services. “Member Services” are any products or services now or hereafter provided by, or sponsored by, Credit Union or otherwise made available to Credit Union members. Member services include, but are not limited to: loans or other extensions of credit, share accounts, checking accounts, time deposits, ATM services, home banking services, telephone banking services, and other electronic transfer services.

Monetary Loss. A “Monetary Loss” to Credit Union occurs when any member of Credit Union causes, or makes known his or her intention to cause a financial loss to the credit union, whether by way of loan default, bankruptcy discharge, account overdraft or otherwise, or should a member take any action that would render all or part of his or her obligations owing to the credit union unenforceable. A monetary loss may not be ascribed to a member if the loss is attributable to a case of identity theft or account takeover impacting the member’s account(s) wherein the member was not complicit in the incurrence of the loss.

- If a member should file a petition in bankruptcy and enter into a valid enforceable Reaffirmation Agreement with Credit Union that is not rescinded by that member, reaffirming all or substantially all of that member’s obligations existing prior to the filing of the member’s petition in bankruptcy, the foregoing policy with respect to the denial of credit union services and further extensions of credit may be waived. Further, if a member should file a petition under Chapter 11 or 13 of the Bankruptcy Code which proposes to pay all or substantially all of the member’s pre-petition indebtedness owing to the credit union, this policy may be waived.
- If the credit union perceives that the member’s failure or inability to reaffirm all of his pre-petition obligations to the credit union is beyond that member’s control, and the member nevertheless continues voluntarily repaying his pre-petition

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obligations, the credit union at its option, may accept and consider future credit applications and may continue to extend credit union services to that member.

Abusive Conduct. "Abusive Conduct" 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 and/or making sexual overtures, sexual flirtations, advances or propositions.
- Engaging in verbal abuse of a racial, ethnic nature, or sexual nature.
- Making graphic or degrading comments about an individual or his or her appearance.
- Engaging in offensive or abusive physical contact.
- Making false, vicious or malicious statements about Credit Union Related Parties or Credit Union and its services, operations, policies, practices or management.
- Using profane, abusive, intimidating or threatening language towards Credit Union personnel or members.
- Repeated verbal vulgar abuse, either in person or through any written medium or telephone communication.
- Making or suggesting threats of bodily harm or property damage to an employee or their family member(s).
- Attempting to coerce or interfere with Credit Union Related Parties in the performance of their duties at any time.
- Attempting to interfere in any way with Credit Union's delivery of services or information to its members.
- Conducting or attempting to conduct or engage in any fraudulent, dishonest or deceptive activity of any kind, involving Credit Union Related Parties or Credit Union services.
- Any posting, defacing or removing notices or signs on Credit Union premises, website or social presence.
- Causing physical damage to any part of the Credit Union premises.
- 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.
- Possession, use, or being under the influence of drugs or alcoholic substances on Credit Union premises.
- Fighting or possession of weapons of any kind within the Credit Union except for law enforcement or security officers.
- This list is not comprehensive and is used only as an example of types of behavior that may be viewed as abusive conduct by Credit Union. Threats of any nature may be reported to federal and local authorities.

LIMITATION OR TERMINATION OF SERVICES – MEMBER RIGHTS

If Credit Union terminates or limits access to member services as outlined in this policy the member can still:

- Maintain a dividend bearing share account with Credit Union, and
- Vote at annual and special membership meetings subject to Credit Union Bylaws and policies. In addition to termination or limitation to member services, Credit Union reserves the right to move for expulsion of the member from Credit Union in accordance with Credit Union's Bylaws.

ACTIONS BY CREDIT UNION

Abusive Conduct or Illegal Behavior

In the event a member or other person has or is engaging in abusive conduct or illegal behavior on Credit Union premises or at a Credit Union sponsored event toward Credit Union Related Parties or guests, the Credit Union is authorized to take any or all of the following actions against a member or other person who has engaged in the abusive conduct or illegal behavior:

- Denial of in-person contact with Credit Union Related Parties.
- Denial of all Member Services other than the member's right to maintain a share account and the right to vote at annual and special meetings.
- Denial of usage of Credit Union's online, mobile, and/or social communities.
- Denial of access to Credit Union premises; if needed, a no trespass order will be obtained from local authorities.
- Preclusion from personal contacts with Credit Union Related Parties such that Credit Union services may be available only by remote means.

- Taking any other action deemed necessary under the circumstances that is not expressly precluded by the Federal Credit Union Act, the National Credit Union Administration Rules and Regulations, or Credit Union's Bylaws.
- In the cases of continued abusive conduct or an extremely abusive incident, a member shall be subject to expulsion from membership.

Monetary Loss or Loss of Good Standing

If Credit Union incurs a monetary loss, or if a member is determined in accordance with this policy not to be in good standing, member services available to that member may be limited or otherwise restricted upon the approval of the C.E.O. or V.P.s. Such restrictions may include, but are not limited to only permitting the member to retain a basic membership account with a cash only status. In the event of such a restriction, the member will continue to earn interest, be able to deposit and withdraw on a cash-only basis from their account, and shall maintain the other rights as specified in this policy.

Notice of Action Credit Union will notify the member in writing of the restriction or termination of their Credit Union account(s), and will inform him or her of the basis for the restriction or termination thirty (60) days prior to enforcement of such action. In the event of suspected fraud, negative balance or loss, the account may be immediately frozen or terminated and then notified of the basis for the restriction or termination of their account(s).

EXPULSION OR TERMINATION OF MEMBERSHIP

Pursuant to Article III Section 3 and Article XIV Section I of the Credit Union Bylaws and the Federal Credit Union Act, §1764(a) and §1764(b), Credit Union may expel a member or terminate a member for non-participation from membership.

Expulsion from Membership

Upon approval by the Board of Directors at a regular or a special meeting, a member may be expelled from membership. Any such member so expelled shall have no further entitlement to any rights to or benefits from Credit Union membership and all accounts may be closed.

Termination for Non-participation Credit Union may terminate any membership and close account(s) for non-participation in Credit Union affairs or failure to maintain the required minimum share balance with Credit Union.

Failure to Maintain One Share

Credit Union may terminate membership if a member: (1) does not deposit at least one share at the then current par value within one month of becoming a member or within six months from the increase in the par value of one share, or (2) reduces their share balance below the par value of one share and does not increase the balance to at least the par value of one share within one month.

Non-participation

"Non-participation" is defined as the member's failure to vote in elections and failure to conduct business with Credit Union. This will not apply to any account held by a member who has at least one other active account or relationship with Credit Union. Termination of membership due to non-participation will be effective thirty (30) days after the member has been notified of the termination by mail, sent to the member's last known address on Credit Union's records unless the member has notified Credit Union of their intention to participate as defined above before the expiration of the thirty (30) day period. Upon termination for non-participation, Credit Union will close the terminated member account and provide him or her with the remaining funds. If the member cannot be located to receive the funds, Credit Union will escheat the funds to the applicable state in accordance with state's escheatment laws.

MEMBER APPEAL PROCESS

A member may appeal any restriction placed on member services or termination of membership due to non-participation by submitting a written request to Credit Union's Supervisory Committee with details explaining why such restriction or termination of membership should not be implemented. The Supervisory Committee will review and notify the member within thirty (30) days with an explanation why the action will remain in force or what, if any, services may be restored. In accordance with this policy, members that have been expelled following a vote by the Board of Directors do not have a right to appeal expulsion.