

## **Cinfed Credit Union Member Limitation of Services Policy**

(Adopted by the Board of Directors May 6, 2014)  
POLICY GOES INTO EFFECT JULY 1, 2014

In the interest of protecting the assets of the Credit Union and maximizing dividends to members, this policy provides for Limitation of Services to members who have caused the Credit Union a loss, who have engaged in actions that put the credit union at risk of loss or liability, caused harm or threatened to cause harm to Credit Union employees, directed harassment at Credit Union employees or displayed disruptive behavior on Credit Union premises.

This policy allows one or more of the following individuals affiliated with the Credit Union to propose Limitation of Services to a member of the Credit Union. Members of the Cinfed Credit Union Board of Directors,, Supervisory Committee, CEO, COO, CFO, CLO, Security / Fraud Department Personnel and Compliance Department Personnel, may limit the services of a member for cause, as listed in this policy. Limitation decisions will be based upon a majority finding of a committee consisting of at least 3 of the above individuals that Limitation of Services is in the best interest of the Credit Union.

Examples of cause for Limitation of Services would include, but not be limited to, members who cause or threaten to cause a Credit Union loss, are deemed by the Credit Union to pose a potential risk to the Credit Union's members, assets, officers, or employees, or are deemed by the Credit Union to engage in any illegal, unethical, or disruptive conduct.

### Limitation of Services Criteria:

- Member's failure to pay amounts due under a loan. "Amounts due" include, without limitation: principal; interest; fees and charges; financed insurance premiums; collection agency charges or attorney's fee incurred in collecting amounts due under a note or guarantee, in repossessing and liquidating collateral under a security agreement, or in obtaining a deficiency judgment.
- Member's failure to provide collected funds to cover share account withdrawals or to cover checks.
- Member's failure to provide collected funds to cover Credit Union drafts purchased by the member.
- Member's failure to pay fees or charges due to the Credit Union for any reason.
- Members who engage in check kiting, attempted or actual deposits of counterfeit checks or other non-negotiable items, foreign ATM transfers between checking and savings accounts which result in overdrafts of both accounts, attempted or actual theft of credit union or other members funds, or similar fraudulent type activities whereby the member illegally attempts to obtain funds not due the member.
- Members who fail to protect blank personal checks and/or ATM and Debit Cards as evidenced by claims of lost checks, ATM and Debit Cards and/or unauthorized transactions (particularly when the forgeries are committed by persons living in the members household or those persons known to the member), or engage in similar activities resulting from failure to keep their accounts and records secure.
- Members threatening staff, members who engage in inappropriate conduct or language directed at staff based on sex, race, national origin, marital status, sexual orientation, physical or mental impairment, age, or membership in the uniformed services, or similar activity whereby staff are subjected to verbal or physical abuse.
- Members who have displayed disruptive behavior on Credit Union premises.
- An employee that has his/her employment with the Credit Union terminated for cause.

A member who files bankruptcy, but signs an enforceable reaffirmation agreement or otherwise voluntarily makes arrangements to repay all amounts due, will remain eligible for membership but some services may be limited.

The Credit Union will notify persons, in writing, of their Limitation of Services, and the reasons upon which it is based.

Upon request, after a period of one year, the Credit Union will allow a person to challenge the Limitation of Services and seek reinstatement of services. The decision for allowing additional services will fall upon the committee that initiated the limitation order. If granted reinstatement, the member agrees that their account(s) may be placed in a probationary period set forth by the committee.

Notice to Current Members: The Limitation of Services criteria will be communicated to all members.

Notice to New Members: The Limitation of Services criteria will be communicated to new members at the time of application, as of the date of mailing the notice to current members.

Created: April 9, 2014  
Kelly Martin Papai, BSA Compliance Officer