



PO Box 1411 Modesto, CA 95353-1411  
valleyfirstcu.org | (877) 549-4567

## **Limitation of Services Policy**

### **Policy**

The Limitation of Services Policy is an alternative to expulsion in cases where the member is no longer in “good standing”. This policy would cover reaction to fraud, loan and share losses, harassing or abusive behavior, and other similar practices. No limitation of services action is to be taken as a result of credit card or real estate loan delinquency, except as may be an offset on specifically disclosed share secured credit card with funds set aside for that purpose. The Limitation of Services Policy does not prevent a member from making payments. No action will be taken to limit access to federal benefits funds deposited into accounts. This policy would be enforced subject to state and federal laws.

### **Purpose**

The purpose of this Policy is to protect the employees, volunteers and members of the Credit Union from abusive members. To this end, this Policy addresses standards of member conduct in order to assure the rights and protection of the Credit Union’s employees, volunteers and members. This Policy also defines what constitutes a “monetary loss” which may also serve as a basis for limiting member services.

### **Scope**

This policy applies to all credit union members.

### **Section 1: General Provisions**

1. The privilege of Valley First Credit Union services available to members must be reserved for members who are in “good standing.”
2. The Credit Union’s good reputation is due in large part to the loyalty, commitment and continued efforts of its employees, volunteers and members. The Credit Union is committed to treating its employees, volunteers and members with respect and is committed to maintaining a workplace free from unacceptable conduct from any source.

3. In the event that a member engages in any type of “abusive behavior” (defined below) towards a Credit Union member, employee or volunteer engaged in Credit Union business, the Credit Union is authorized to apply appropriate remedial measures.
4. This Policy extends to any member “not in good standing” who seeks member services whether directly or indirectly. This Policy also applies to any person, including but not limited to any joint account owner, who has access to Credit Union services directly or indirectly through the primary member, and the actions of such persons.
5. A member will not be considered to be in “good standing” with this Credit Union if:
  - a. He or she fails to carry out any contract with the Credit Union and as a result, the Credit Union suffers a “monetary loss” (defined below);
  - b. The member manipulates or otherwise abuses Credit Union services or products to the actual or potential detriment of the Credit Union’s membership; or
  - c. The member engages in “abusive behavior,” or otherwise injures any person or damages any property while on Credit Union premises, at any Credit Union function, or while on the premises of any Credit Union Service Centers Network.
  - d. The determination of whether a member is in “good standing” with the Credit Union will be made at the sole discretion of the President/ CEO of this Credit Union, or his/ her Senior Management designee.
6. This Policy further applies in the event that the Credit Union cannot locate or contact the member and needs to contact him or her to prevent further costs and losses resulting from delinquencies on loans or negative deposit balances, or where collections activity is sufficient to cause a material expense to the Credit Union.
7. This Policy is hereby made a part of the Credit Union’s Membership Policy (S-PY-005: Membership Policy).
8. The intent of the Board is that the steps taken to limit services be reasonably related to the member’s or account-holder’s actions which caused them to become not in good standing.

## **Section 2: Definitions**

1. “Member services” are hereby defined as any products or services now or hereafter provided or sponsored by the Credit Union or otherwise made available to Credit Union members, which services include, but are not limited to: loans, deposit accounts, ATM services, online banking services, and other electronic fund transfer services.
2. A “monetary loss” to the Credit Union occurs when the Credit Union writes off as

uncollectible, for whatever reason, any monies which is owed to the Credit Union.

- a. For loans: the monetary 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 and expenses.
  - b. For shares: monetary loss is defined as the negative balance in the share account written off as uncollectible.
3. "Abusive behavior" includes, but is not limited to, any of the following conduct:
- a. Any threats of or actual bodily harm or illegal activity against another member or an employee or volunteer engaged in Credit Union business.
  - b. Any form of action which may constitute harassment under the Credit Union's harassment policy. For example:
    - i. Any type of harassment, including age, sexual, ethnic, or racial harassment; making racial or ethnic slurs, engaging in sexual conduct; making sexual overtures.
    - ii. Inappropriate touching.
    - iii. Making sexual flirtations, advances or propositions; engaging in verbal abuse of a sexual, racial or ethnic nature; making graphic or degrading comments about an individual or his or her appearance.
    - iv. Displaying sexually suggestive objects or pictures.
  - c. Fighting, kicking or other physical harm or attempted harm towards a Credit Union member, employee or volunteer engaged in Credit Union business. For example:
    - i. Engaging in offensive or abusive physical contact.
    - ii. Making false, vicious or malicious statements about any Credit Union employee or volunteer or the Credit Union and its services, operations, policies, practices, or management.
  - d. Using profane, abusive, vulgar, intimidating or threatening language directed towards a Credit Union member, employee or volunteer engaged in Credit Union business.
  - e. Bringing or possessing firearms or weapons or any hazardous or dangerous device on Credit Union premises or at a Credit Union function.
  - f. Possession, sale, use or being under the influence of an unlawful or unauthorized substance (e.g., drugs or alcohol) on Credit Union premises or at a Credit Union function.
  - g. Attempting to coerce or interfere with a Credit Union employee or volunteer in the performance of their duties at any time.
  - h. Uncivil conduct or failure to maintain satisfactory professional relationships with other members, employees and volunteers at the Credit Union.
  - i. 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.
  - j. Any posting, defacing, or removing notices or signs on Credit Union premises, or writing on Credit Union bulletin boards without management authorization.
  - k. Appropriation or misappropriation of Credit Union funds, property or other

material proprietary to the Credit Union.

- l. Deliberate or repeated violations of security procedures or safety rules.
- m. Any other act which endangers the safety, health or well-being of another person or which is of sufficient magnitude that it causes disruption of business at the Credit Union.

This list is non-exhaustive and is used only as an example of types of behavior that may be viewed as “abusive” by the Credit Union.

### **Section 3: Policy**

1. Availability of financial services for members who are not in good standing with this Credit Union will be restricted. Any or all of the following actions may be imposed against a member who is deemed to be “not in good standing”:
  - a. Denial of all services other than a dividend bearing share account and the right to vote at annual and special meetings.
  - b. Preclusion from personal contact with Credit Union employees or volunteers such that Credit Union services may be available only through written communication through the U.S. mail, ATM, online banking, or other remote access device designated by Credit Union Senior Management.
  - c. Preclusion from access to Credit Union premises.
  - d. Taking any other action deemed appropriate under the circumstances that is not precluded by the Credit Union’s Bylaws or applicable federal or state law.
2. Any threats of bodily harm or any other illegal activity against any Credit Union employee, volunteer or other member may be reported to appropriate federal, state and/or local authorities.
3. In the case of repeated abusive behavior or an extremely abusive incident, the member may be subject to expulsion from the Credit Union in accordance with the Credit Union’s bylaws and applicable law.
4. These limitations will not prohibit a member from exercising his or her rights under federal or state law or regulation.

This policy shall be applied only to the action of members which occurs more than thirty (30) days after the adoption of the policy and notice to the membership through the Truth in Savings booklet.