



Member Expulsion Policy

In the interest of protecting the assets and human resources of the Credit Union and maximizing dividends to members, the Board of Directors adopts the following policy. This policy provides for expulsion of members who have caused a loss to the Credit Union or otherwise disrupted the orderly operation of said Credit Union through inappropriate or unlawful conduct. Expulsion may result, upon Board action, in the situations described below.

Expulsion Criteria:

- a. Member fails to pay amounts due under a loan. Amounts due include, without limitation: principal, interest, fees, and charges, financed insurance premiums, collection agency charges or attorneys' fees 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. A member who files for bankruptcy, but signs an enforceable reaffirmation agreement or otherwise voluntarily decides to repay all amounts due, will remain eligible for membership.
- b. Member fails to provide collected funds to cover share account withdrawals or to cover personal share drafts.
- c. Member fails to provide collected funds to cover credit union drafts purchased by the member.
- d. Member fails to pay fees or charges due the credit union for any reason.
- e. Member engages in conduct that constitutes harassment of credit union officers, directors, staff, agents, or volunteers, inappropriate conduct, or an abuse of membership privileges, or unnecessarily exposes the credit union to liability.
- f. Member fails to maintain a good standing status in membership in the sponsoring labor organization.

Notwithstanding the foregoing, a member who has caused a loss due to bankruptcy but, in the sole discretion of the management of the credit union, establishes that the loss was unavoidable, the result of extraordinary hardship, will remain eligible for membership.

Notice to Current Members: The expulsion criteria will be communicated to all current members by means of the form of notice attached.

Notice to New Members: The expulsion criteria will be communicated to new members at the time of application, as of the date of mailing to the current members. Members who do not apply in person will be mailed the notice as soon as possible but no later than twenty (20) days after applying for membership.

Expulsion Procedure:

For Causing a Loss to the Credit Union

In the event a member causes a loss to the credit union that meets the Expulsion Criteria, the Board of Directors may expel the member in accordance with the following procedure:

- a. The matter of expulsion will be placed on the agenda for the next regularly or specially scheduled meeting of the Board of Directors.
- b. If the Board votes to expel the member:
 1. The credit union will apply any member shares available to cover the loss.
 2. The member who has caused such loss will be sent a letter notifying the member of his or her expulsion.
 3. Any shares remaining after the credit union exercises its right to apply shares to amounts due, will be sent to the member with the expulsion letter.

For Failing to Maintain Membership in Good Standing in the Sponsoring Labor Organization

In the event a member and/or his or her sponsoring family member fails to maintain membership in good standing in the sponsoring labor organization the Board of Directors may expel the member in accordance with the following procedure:

- a. The Credit Union will notify the member that he/she or sponsoring family member has fallen out of good standing with the sponsoring labor organization.
 1. The notice will also serve as a warning to the member that membership in the Credit Union is contingent on the member or sponsoring family member maintaining their good standing status with the sponsoring labor organization.
 2. The notice will also request the member provide proof that he/she or the sponsoring family member has brought their membership in the sponsoring labor organization to good standing within a 30 day period.
- b. If the member does not provide evidence to the Credit Union they have brought their membership to good standing with the sponsoring labor organization within the 30 day period a final notice will be issued stating the member must immediately provide proof that he/she has brought his/her membership in the sponsoring labor organization to a good standing status.
- c. The matter of expulsion will be placed on the agenda for the next regularly or specially scheduled meeting of the Board of Directors.

Effective Date of Expulsion Policy: February 28, 2004

The foregoing relates to expulsion of certain members by board action. This policy does not alter or affect the statutory right to expel a member, for any reason, by means of a two-thirds (2/3) vote of the members at a membership meeting and after providing an opportunity to be heard.