

TIMBERLINE FEDERAL CREDIT UNION DENIAL OF SERVICES POLICY

September 2023

PURPOSE

The purpose of this Board of Directors approved policy is not to infringe upon the rights and freedoms of anyone, but rather to protect Timberline Federal Credit Union as well as its members, employees, and volunteers from abusive behavior exhibited by members or other persons. Additionally, this policy will apply to members who are indebted to Timberline FCU and cannot or will not repay their obligations.

The Board of Directors hereby grants the President/CEO and designated Senior Management the authority to restrict the services offered to any member of Timberline Federal Credit Union.

DEFINITIONS

Monetary Loss: Monetary losses include but are not limited to: Loan charge-off, uncollected overdrawn account, share accounts that do not have the minimum \$5.00 required deposit, and uncollected fees.

Member Credit Denial: Denies future credit to any member who has caused the credit union a loss and who either has not repaid the loss or is not in the process of repaying the loss.

Member Expulsion: Denies the member the privilege of continued membership at the credit union. See Timberline FCU Bylaws Article XIV

Membership Denial: Denies the ability to join or rejoin the credit union to any person who has exhibited abusive behavior or caused a loss and has not repaid or is not in the process of repaying the loss.

Service Denial: Denies certain member privileges or services (i.e. checking account, inside lobby transactions, etc.) to those members whose behavior is abusive or threatening in some fashion. Also may apply to members who are not current on their credit obligations to the credit union.

MONETARY LOSS

The funds that Timberline Federal Credit Union holds belong to its members. When a member causes the credit union to suffer a loss, that loss is borne by all members of the credit union. As a result, Timberline FCU has enacted policy to govern its dealings with members who are indebted to the credit union and either cannot or will not repay their obligations.

In the event that a member causes a monetary loss to Timberline FCU, the credit union will follow the applicable policy or procedure. Some examples of these are TFCU's Collection Policy, Dormant/Inactive Accounts Policy, Negative Accounts Policy, Overdraft Protection (Courtesy Pay) Policy as well as this Denial of Services Policy.

Timberline FCU will not close an account by transferring the membership share amount (par value) to the member's charged off loan.

MEMBER CREDIT DENIAL

Any member of Timberline FCU who has caused the credit union a loss and who either: (1) has not voluntarily repaid the credit union, or (2) is not in the process of voluntarily repaying the credit union will not be eligible for future credit at Timberline Federal Credit Union.

When a member who has previously been denied credit under this policy repays their losses, Timberline FCU will consider extending credit provided the member meets current underwriting criteria.

Timberline FCU understands that any loss discharged through bankruptcy is not collectible and therefore will make no attempt to collect payment. However, Timberline FCU reserves the right not to extend future credit to the member who has caused the loss.

MEMBER EXPULSION REQUIREMENTS

A credit union may expel a member in one of three ways. The first way is through a special meeting. Under this option, a credit union must call a special meeting of the members, provide the member the opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting to expel a member. The second way to expel a member is under a nonparticipation policy given to each member that follows the requirements found in the Act. The third way to expel a member is by a two-thirds vote of a quorum of the directors of the credit union. Timberline FCU can only expel a member for cause and through a vote of the directors of the credit union if it follows the policy for expulsion in section 2 of Article XIV of its bylaws.

Expulsion by Vote of Directors: See Section 2 Article XIV of Timberline FCU bylaws.

Expulsion for Nonparticipation: A federal credit union can expel a member for his/her "nonparticipation" in the affairs of the credit union. The Federal Credit Union Act indicates that the member's nonparticipation can be characterized as the member's failure to: vote in annual credit union elections, purchase shares from the credit union, take out a loan with the credit union, or lend to the credit union. Failure to lend to the credit union means the member opened an account at par value (the minimum amount required to deposit to become a member) and has not deposited any additional funds. Timberline FCU's Dormant/Inactive Account Policy will be followed in cases of nonparticipation.

MEMBERSHIP DENIAL

Any former member of Timberline FCU who has caused a loss and who either: (1) has not voluntarily repaid the credit union, or (2) is not in the process of voluntarily repaying the credit union is not eligible for membership at Timberline FCU. Additionally, any former member who has behaved in an abusive or threatening manner toward any credit union member, employee, or volunteer is not eligible for membership.

If the former member reapplies for membership at Timberline FCU, the credit union can deny the application under this policy.

The above is also true for any other person applying for membership. If the records of Timberline FCU indicate that the person has an unpaid loss or that they have behaved in an abusive or threatening manner toward members, employees, or volunteers, this person is not eligible for membership. The credit union can deny membership based on this policy.

SERVICE DENIAL

Timberline FCU's outstanding 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 these individuals with the respect they deserve and to maintaining a work place free from abusive or threatening conduct from any source.

In the event that any member or non-member engages in any type of abusive conduct towards a Timberline FCU member, employee, or volunteer engaged in credit union business, the CEO or his/her designee, is authorized to apply appropriate remedial measures (restrictions) against such individual.

Any or all of the following actions may be imposed.

Denial of all services other than the right to maintain a share account and the right to vote at annual meetings and special meetings.

Preclusion from personal contacts with Timberline FCU employees or volunteers such that the credit union services may be available only by remote means.

Preclusion from access to Timberline FCU premises.

Taking any other action deemed appropriate under the circumstances that is not precluded by Timberline FCU's Bylaws or other applicable federal or state law.

For purposes of this policy, "abusive conduct" includes, but is not limited to, any of the following conduct:

Any threats of or actual bodily harm or illegal activity against another member, employee, or volunteer engaged in Timberline FCU business.

Any type of harassment, including but not limited to, age, sexual, ethnic, or racial harassment. The making of ethnic or racial slurs. Engaging in sexual conduct or making of sexual overtures.

Making false, vicious, or malicious statements about any Timberline FCU employee or volunteer.

Making similar statements against the credit union itself and its services, operations, policies, practices, or management.

Cursing or other abusive or vulgar language directed towards any Timberline FCU member, employee or volunteer engaged in credit union business.

Bringing or possessing firearms or weapons or any hazardous or dangerous device on Timberline FCU premises or at a credit union function.

Possession, sale, use, or being under the influence of any unlawful or unauthorized substance on Timberline FCU premises or at a credit union function.

Conducting or attempting to conduct or engage in any fraudulent, dishonest, or deceptive activity involving Timberline FCU employees, volunteers, or services.

Appropriation or misappropriation of credit union funds, property, or other material proprietary to Timberline FCU.

Immoral conduct or indecency on credit union premises.

Personal hygiene practices that are offensive to or endanger the health and well-being of Timberline FCU members, employees, and volunteers.

Any other act which endangers the safety, health, or well-being of another person or which is of sufficient magnitude that causes disruption of business at Timberline FCU.

Timberline FCU may also deny or limit services to its members due to delinquency. In the event that a member's loan becomes delinquent, the credit union may limit that member's access to services including but not limited to the following.

Debit Card
Courtesy Pay
Online Banking
Overdraft Protection
Bill Pay

This policy will be posted on Timberline FCU's website and accessible to members in that manner. Members will receive at account opening notification of how to view this policy.

This policy has been reviewed & approved by the board September 18, 2023.


James Phifer, Chairman


Pam Culp, Secretary