

RAYTOWN-LEE'S SUMMIT COMMUNITY CREDIT UNION

MEMBER BEHAVIOR POLICY

Area of Responsibility	Board of Directors
Board Review	December 2022
Last Revision	December 2022

At a meeting of the Board of Directors of Raytown-Lee's Summit Community Credit Union on 12/28/2021 consideration was given to the proposal that a policy authorizing the sanction or expulsion of members be established.

Upon a motion made, duly seconded, the following resolution was passed:

RESOLVED, the following policy is hereby established for the sanction or expulsion of members:

RAYTOWN-LEE'S SUMMIT COMMUNITY CREDIT UNION BOARD POLICY: SANCTION OR EXPULSION OF MEMBERS

1. Sanctions. The following sanctions may be imposed by the Board of Directors against a member who has behaved abusively which directly or indirectly is offensive to Raytown-Lee's Summit Community Credit Union employees or its members through physical, mental or verbal abuse. One or more of the following sanctions may be imposed against the member:

- Denial of all services other than the right to maintain a share account and the right to vote at annual and special meetings.
- Denial of services that involves personal contact with credit union employees
- Denial of access to the credit union premises

Abusive behavior includes, but is not limited to, the following:

- Making racial or ethnic slurs
- Making sexual overtures, flirtations, or advances or employing sexual practices
- Making graphic or degrading comments about individuals or their appearance
- Engaging in offensive or abusive physical contact
- Making false, vicious, or malicious statements about any credit union employee or the credit union and its services, operations, policies, practices, or management
- Using profane, abusive, intimidating, or threatening language toward employees or fellow members
- Attempting to coerce or interfere with credit union employees in the performance of their duties
- Conducting any fraudulent, dishonest, or deceptive activity involving credit union employees or services
- Deliberate or repeated violations of security procedures

- Possession, use, or being under the influence of drugs or alcoholic substances on credit union premises
- Possession of weapons of any kind on credit union premises
- Denial of access to the credit union premises

2. Expulsion. Pursuant to Missouri Revised Statute Section 370.340, the board of directors may expel a member from membership in the Credit Union in the event the member shall:

a) cause, or make known his/her intention to cause, a financial loss to the Credit Union, whether by way of loan default, account overdraft or otherwise, or take any action that would render all or a part of his/her obligation(s) to the Credit Union unenforceable or adversely affect, damage, or conceal collateral for any loan;

b) adversely affect, disrupt or interfere with the business operations and activities of the Credit Union;

c) have his/her employment with the Credit Union terminated for cause;

d) take any action which adversely affects the safety or soundness of the Credit Union;

e) disrupt or interfere with the activities of any membership, committee or board meeting, or the election of any officer, director, or committee person of the Credit Union;

f) conduct his/her business affairs with the Credit Union in a manner contrary to the safe and sound operations of the Credit Union;

g) cause embarrassment or public disfavor to the reputation of the Credit Union;

h) commit any crime in which any member, volunteer or staff person of the Credit Union is a victim or in which any property of the Credit Union is damaged;

i) harass or act abusive toward, in any way, manner or form, any volunteer, member or staff person of the Credit Union; or

j) taking any other action deemed necessary under the circumstances that is not expressly precluded by the Missouri Division of Credit Unions or the credit union's bylaws.

3. Any person expelled by the board may request a hearing before the board to reconsider the expulsion or sanction. The request for hearing must be made in writing and be delivered to the President of the Credit Union before the close of business within ten business days of the date of expulsion or sanction.

4. Reinstatement is solely within the authority of the Board. Reinstatement to the Credit Union will be considered upon written request and information submitted by the former member.

5. A copy of this Credit Union Board Policy shall be published in the Credit Union's next newsletter published after the adoption of this policy, re-published annually and shall be maintained on the credit union website.

Review:

The policy shall be reviewed by the Board of Directors on a bi-annual basis.

Commentary:

Below is the statute authorizing expulsion by a policy adopted by the Board indicating the changes effective August 28, 2020. Subsection 3 now permits the President or executive office designated by the Board to implement the policy. These are new options.

370.340. 1. At any regularly called meeting the members, by a two-thirds vote of those present, may expel from the credit union any member thereof.

2. A member may withdraw from a credit union **upon request**.

3. The board of directors, **the president, or an executive officer designated by the board** may expel a member pursuant to a written policy adopted by **the board**. Any person expelled shall have the right to appeal **the decision pursuant to a written policy adopted by the board**.

4. The share balance of an expelled or withdrawing member, with any dividends credited to his **or her** shares to the date of expulsion, or withdrawal, shall be paid to said member but only as funds therefor become available, and, after deducting any amounts due to the credit union by said member. The share balance of an expelled or withdrawing member, with any dividends credited to his **or her** shares, shall be paid to such member, subject to sixty days' notice, and after deducting any amounts due to the credit union by said member.

5. Said member, when withdrawing shares, shall have no further right in said credit union or to any of its benefits, but such expulsion or withdrawal shall not operate to relieve such member from any remaining liability to the credit union.

This policy should be used with restraint. It is for the extreme cases. This should not come up very often.

It may appear that section 2a of this policy could be quite useful. Denial of services or expulsion must be tied to causing the credit union a loss, NOT bankruptcy. It is not always applicable to bankruptcy. It is illegal to discriminate against a member for exercising their legal right to file bankruptcy. In a chapter 7 bankruptcy where a member reaffirms all debts, no loss is caused. In a chapter 13 bankruptcy where the plan calls for 100% repayment of all claims, no loss is caused. Thus, this policy should not be used in all cases of bankruptcy until each case is analyzed.

Attempts should be made to come to consensus with a member regarding modifying any offending behavior before even considering implementing this policy.