KANKAKEE FEDERATION OF TEACHERS CREDIT UNION

MEMBER EXPULSION AND LIMITATION OF SERVICES DISCLOSURE

Membership in Kankakee Federation of Teachers Credit Union ("Credit Union") provides each member the right to maintain the required membership share, maintain a share account, and attend, participate in, and vote at annual and special meetings of the members. Access to other Credit Union products, services, accounts, or facilities is not a right of membership and may be limited or discontinued in accordance with Credit Union policy and applicable law.

LIMITATION OF SERVICES

The Credit Union may limit or discontinue certain services for a member who is not considered to be in good standing. A member may be considered not in good standing if the member:

- Fails to maintain the minimum membership share required by the Credit Union's bylaws;
- Has had an account closed because of abuse or negligent behavior;
- Has caused a financial loss to the Credit Union;
- Engages in violent, threatening, intimidating, harassing, disruptive, belligerent, or abusive conduct toward Credit Union officials, employees, members, or agents;
- Causes or threatens damage to Credit Union property;
- Makes unauthorized use of or gains unauthorized access to Credit Union property;
- Knowingly disseminates incorrect, misleading, confidential, or proprietary information regarding the Credit Union; or
- Engages in conduct that may cause material risk or financial harm to the Credit Union.

When services are limited because of violent, disruptive, belligerent, or abusive conduct, there will be a logical relationship between the conduct and the services being restricted. The Credit Union will notify the member of the accounts or services that have been discontinued or restricted.

EXPULSION FROM MEMBERSHIP

Membership in the Credit Union may be terminated in one of the following ways:

1. Special Meeting of the Membership

The Credit Union may call a special meeting of the members for the purpose of considering a member's expulsion. The member will be provided an opportunity to be heard. Expulsion requires a two-thirds vote of the members present at the special meeting.

2. Nonparticipation

A member may be expelled under a properly adopted nonparticipation policy. Nonparticipation may include failure to vote in Credit Union elections or failure to purchase shares from, obtain a loan from, or lend to the Credit Union.

3. Expulsion for Cause

A member may be expelled for cause by a two-thirds vote of a quorum of the Credit Union’s Board of Directors.

For purposes of expulsion, **cause** includes:

- A substantial or repeated violation of the Credit Union’s membership agreement;
- A substantial or repeated disruption of Credit Union operations, including dangerous or abusive behavior; or
- Fraud, attempted fraud, or conviction of other illegal conduct in relation to the Credit Union, including conduct involving Credit Union employees while conducting Credit Union business.

Before the Board of Directors considers expulsion for cause, the Credit Union will provide the member with written notice stating the specific reason or reasons for the proposed expulsion. The notice will include relevant dates and sufficient information for the member to understand the grounds for the proposed expulsion.

The member will have **60 calendar days after receipt of the notice** to request a hearing before the Board of Directors or to provide a written submission to the Board. The notice will explain how to request a hearing and the procedures that will apply.

If the member does not timely request a hearing or provide a written submission, the member’s membership will terminate after the applicable 60-calendar-day period.

If a hearing is requested, the member will be provided a meaningful opportunity to present their position to the Board. Following the hearing, the Board will vote on the proposed expulsion in accordance with applicable bylaws and law.

MEMBERS WHO HAVE CAUSED A LOSS

A member who has caused a financial loss to the Credit Union but has demonstrated an intent to repay the loss under repayment arrangements acceptable to the Credit Union, and who continues to comply with those arrangements, will not be expelled on that basis under the Credit Union’s loss-based expulsion policy.

Members who have caused a loss will be given notice and an opportunity, as determined appropriate by Credit Union management, to indicate their intent to repay the debt and begin acceptable repayment arrangements.

EFFECT OF EXPULSION

Expulsion from membership does not relieve a member of any outstanding obligation or liability to the Credit Union. Any loans, debts, or other amounts owed to the Credit Union remain due and payable in accordance with their terms and applicable law.

Upon expulsion, the Credit Union will provide written notice explaining the effect of the expulsion, including any effect on the member's accounts, account access, outstanding loans, or amounts due to the Credit Union.

An expelled member may have the right to request reinstatement of membership in accordance with the Credit Union's bylaws and applicable law.

QUESTIONS OR COMPLAINTS

Members are encouraged to contact the Credit Union directly with questions or concerns regarding limitation of services or expulsion.

If a complaint regarding an expulsion or proposed expulsion cannot be resolved directly with the Credit Union, the member may submit a complaint to the **National Credit Union Administration (NCUA) Consumer Assistance Center**.