

**DuPont Community Credit Union (DCCU)**  
**Suspension of Services Policy**  
July 1, 2021

Functional Oversight:                   DCCU High Risk Committee

**Introduction**

This policy outlines the various actions, up to and including expulsion from membership, which DCCU may take in response to behavior that is illegal, threatening, abusive, or otherwise disruptive to credit union operations and/or any activity that causes a financial loss, is associated with fraud, and/or increased reputational or regulatory compliance risk to DCCU. Any suspension of service is subject to the discretion of appropriate management personnel.

**Fundamental Rights of Membership**

Unless expelled under DCCU bylaws, all members are entitled to maintain a single share (defined as the par value share or membership share) in the Credit Union and are eligible to vote in the election for Board of Directors members. No other access to products, services, or facilities is a right of membership. All such access may be curtailed at the discretion of DCCU and in accordance with this policy, policies and procedures incorporated herein, any account and lending agreement or contract executed by the member, and DCCU's Bylaws.

**Denial of Membership – Initial**

DCCU utilizes a third party consumer reporting agency to assist in eligibility decisions for all applicants. If an applicant fails to meet the minimum criteria for membership, or based on the severity of the negative information received from a third party service provider, membership may be denied. An appropriate Adverse Action Notice will be provided as required by law or regulation.

**Suspension of Services or Revocation of Membership – Subsequent Information**

If information is received from a third party service provider, DCCU staff, management, volunteers, law enforcement, or another financial institution indicating that a member has been convicted of a crime or deceived DCCU as to the use of proceeds from credit granted, DCCU may expel a member based on the type and severity of the negative information. DCCU reserves the right to make decisions regarding suspension of services or revocation of membership as it best serves the cooperative. DCCU may limit or suspend services available to the member, as necessary and allowable under law to prevent the possibility of financial loss, negative reputation, or non-compliance with Federal or state laws, rules, or regulations.

**Suspension of Access to Transactions or Services**

A member may be denied access to certain transaction types, individual transactions, convenience services, or transaction levels based on behavior deemed by management to be high risk for loss, indicative of illegal activity, or performed with an apparent intent to harm, disrupt, or defraud. Denials of transactions and/or transaction types are administered on an as

needed basis and in the discretion of the operational area manager for that service or product, and/or Senior Management.

### **Suspension of Access to Facilities**

DCCU reserves the right to implement policies limiting specific behaviors while conducting business within any Credit Union facility or communicating with Credit Union staff.

Members of the Credit Union and members of the public who do not comply with any DCCU policies regarding access to DCCU facilities or who, in DCCU's sole discretion, have behaved in a belligerent, threatening, abusive, vulgar, illegal, or otherwise disruptive or inappropriate manner toward DCCU staff, management, volunteers, or other members may be barred from entering DCCU facilities, grounds, and parking areas at the discretion of management. Such behavior may be in person, on the telephone, through other electronic communication methods, or in writing. If necessary, DCCU will take legal action to constrain access to facilities, grounds, and parking areas. Decisions to prohibit access to facilities and/or close accounts based on member behavior will be made on an individual basis by appropriate management personnel. Any member prohibited from accessing DCCU facilities will be notified orally if circumstances require and where feasible, in writing. The ban will be effective immediately and until the member has been reinstated at the discretion of management (see Conditions for Reinstatement).

### **Suspension of Services— Reputational or Regulatory Compliance Risk**

DCCU reserves the right to suspend or limit any account, product, or service that poses increased risk of regulatory or legal violations. Management has created, and will update, and maintain written procedures for assessing and acting on increased reputational or regulatory compliance risk. This Suspension of Services Policy hereby incorporates DCCU's regulatory compliance policies and procedures as applicable.

### **Denial of Membership – Expulsion: Bylaw Provisions**

The Board of Directors may expel from the credit union any member who: (i) has not carried out his/her obligations to the credit union; (ii) has been convicted of a criminal offense; (iii) neglects or refuses to comply with the provisions for the Virginia Credit Union Act or DCCU's Bylaws; (iv) neglects to pay his/her debts, or otherwise causes financial loss to the credit union; or (v) has deceived the credit union with regard to the use of borrowed money. However, no member shall be so expelled until he/she has been informed in writing of the charges against him/her, and an opportunity has been given to him/her, after reasonable notice, to be heard. Amounts due to an expelled member, less amounts due from him/her, shall be paid to him/her within 60 days after expulsion, but so long as he/she is liable to this credit union as borrower, co-maker, endorser, guarantor, or otherwise, only the amount in excess of such liability shall be paid to him/her without the written approval of the administrators of this policy, a member of the Senior Management Team, or the Board of Directors. Expulsion from membership shall not operate to relieve a member from his/her liability to the credit union. Any expelled member loses all privileges, including the right to hold a share, vote in credit union elections, and attend the annual meeting of members.

### **Marijuana Related Business**

At the time of account opening and for the entirety of a member relationship, the member guarantees that s/he is not operating, benefitting from, or transacting for a marijuana related business (MRB). An MRB is defined as any business that grows, produces, distributes, transports, imports, or sells marijuana or marijuana derivatives. Marijuana is defined as cannabis possessing greater than 0.3% tetrahydrocannabinol (THC). This does not include cannabis possessing less than 0.3% THC. While possession of marijuana under the statutory limit is decriminalized in Virginia, the sale, distribution, and cultivation of marijuana is federally illegal under the Controlled Substances Act.

By opening or maintaining an account relationship with DCCU, the member is attesting that s/he is not financially affiliated with an MRB. If at any time DCCU collects information indicating that the member is financially affiliated with an MRB, DCCU will complete the suspension of services immediately. Any accounts affiliated with a member due to this activity will be reported to the Board of Directors.

### **Requests for Suspension or Expulsion**

Any DCCU staff, management, or volunteer may submit a request for denial of products, services, or membership for a specific member. The requestor must send a Suspension of Services Request form in writing to the Retail Operations Department. DCCU has adopted written procedures for processing such requests, including, but not limited to:

- Acceptable format and content for requests
- Timing for receipt and resolution of requests
- Review and verification of the claims and assessments giving rise to the request
- Notification of members and DCCU requestor
- Record retention

### **Notification**

DCCU will provide required notice of any adverse action as required by law or regulation as applicable to the specific circumstances of any denial of product, service, or membership. Unless otherwise required by law or regulation, notification of denial of service, product, or membership may be in any format, including orally in person or by telephone, by email or other electronic communication, or in writing. The notification requirements of Regulation B, the Fair Credit Reporting Act, Regulation E, Regulation CC, and DCCU's Account Agreement are hereby incorporated in this policy. Additional notices will be provided as required by law and regulation as appropriate.

Notification of this policy will be provided to all members in the new account agreement and any manner determined by management.

### **Return of Access Device**

DCCU may, but is not required to, demand the return of any DCCU issued access devices such as debit or credit cards subsequent to the closing or limiting of any account for which the device(s) provide access. Any request for the return of an access device may accompany any required notice as required or allowed by law or regulation.

### **Request for Review**

#### **Suspension of Service Review**

A member may request a review of any action(s) up to expulsion taken under this policy at any time. Such request must be in writing and addressed to

DuPont Community Credit Union  
Retail Operations  
P.O. Box 1365  
Waynesboro, VA 22980

The request shall state the action under review, the member's reason for the requested review, and any information the member deems pertinent to the review. Management has developed and implemented a written process to include, at a minimum:

- Receiving and documenting requests for review
- Review criteria
- Guidance on written responses to requests

### **Expulsion Review**

Members may request that the Board of Directors review any expulsion decision. Such request must be in writing and addressed to

DuPont Community Credit Union  
Secretary of the Board  
P.O. Box 1365  
Waynesboro, VA 22980

Members have a right under the bylaws to present their case in person to the Board at a meeting called by the Board or a designated subcommittee or workgroup for that purpose.

### **Conditions for Reinstatement/New Account Approval**

Members who have been denied a transaction, transaction level, facility access, or convenience service may be reinstated as a result of a requested review or other demonstrated remediation of the factors giving rise to the original denial.

New account applicants with derogatory information in third party consumer reporting agency files may qualify for requested transactions, transaction levels, or convenience services at the discretion of management. Management may, but is not required to, request additional

documentary proof that the derogatory information in the third party consumer reporting agency file has been remediated, all outstanding financial obligations including negative balances, garnishments, liens, and judgments have been fulfilled, and any or all criminal and civil cases involving the applicant have been adjudicated and required payments have been made or documented payment arrangements are in place.

*Revised and approved by Board – June 22, 2021*