

**Public Service Federal Credit Union**  
**619 Union Ave**  
**Middlesex, New Jersey 08846**  
**732-805-9000**

**Member Expulsion Policy**

***(Adopted by the Board of Directors May 9, 2011)***

***Policy goes into effect August 1, 2011***

*In the interest of protecting the assets 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 the Credit Union a loss or who have engaged in actions that put the credit union at risk of loss or liability. Expulsion may result, upon board action, in the situations described below.*

*Expulsion Criteria, Member-caused loss that may subject the member to expulsion action by that may subject the member to expulsion action by the board of directors includes the following:*

- *Member's failure to pay amounts due under a loan, "Amounts due" include, without limitation: principal; interest; fees and charges, financed insurance premiums, collection agency charges or attorney's fee 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*
- *Member's failure to provide collected funds to cover share account withdrawals or to cover personal share drafts.*
- *Member's failure to provide collected funds to cover Credit Union drafts purchased by the member.*
- *Member's failure to pay fees or charges due the Credit Union for any reason*
- *Member actions that put the credit union at risk of loss or liability that may subject the member to expulsion action by the board include the following:*
- *Members who engage in check kiting, attempted or actual deposits of counterfeit checks or other nonnegotiable items, foreign ATM transfers between checking and savings accounts which result in overdrafts of both accounts, attempted or actual theft of credit union or other members funds, or similar activities whereby the member illegally attempts to obtain funds not due the member*
- *Members threatening staff who deny loan applications or other services, members who engage in inappropriate conduct or language directed at staff based on sex, race, national origin, marital status, sexual orientation, physical or mental impairment, age, or membership in the uniformed services, or similar activity whereby staff are subjected to verbal or physical abuse*
- *Members who fail to protect blank personal checks and debit cards as evidenced by repeated claims of lost checks and unauthorized transactions (particularly when the*

*forgeries are committed by persons living in the members household), or engage in similar activities resulting from repeated failure to keep their accounts and records secure.*

**Notice to Current Members:** *The expulsion criteria will be communicated to all members.*

**Notice to New Members:** *The expulsion criteria will be communicated to new members at the time of application, as of the date of mailing the notice to 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 application for membership.*

**Expulsion Procedure:** *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 regularly or specially scheduled meeting of the board of directors.*
- (b) If the board votes to expel the member:*
- (c) The credit union will apply any member shares available to cover the loss.*
- (d) The member who has caused such loss will be sent a letter, notifying the member of his/her expulsion.*

*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.*

*Exceptions: A member who files bankruptcy, but signs an enforceable reaffirmation agreement or otherwise voluntarily makes arrangements to repay all amounts due, will remain eligible for membership.*

  
John Tevlin  
Secretary, Public Service FCU

Harrison Burd, Jr  
President, Public Service FCU

