

Limitation of Services for Members Not in Good Standing Policy

This limited disclosure is given in conjunction with a change in terms of the Schools Financial Credit Union Truth in Savings Disclosure ("Disclosure"). It is given by Schools Financial Credit Union in compliance with the Federal Truth-in-Savings Act. This is not a complete disclosure, but is limited to the change in terms of the Credit Union's Disclosure.

1. PURPOSE

The Board of Directors has determined that the privilege of Credit Union services available to members must be reserved for members who are in "good standing" at the Credit Union. This policy provides examples of certain actions that would cause a member to become "not in good standing" and provides guidelines to the types of transactions to which the availability would be restricted to such a member.

2. SCOPE

This policy shall extend to any member "not in good standing" who seeks member services whether directly or indirectly through a Credit Union account with another person. This policy shall also apply to any person who has access to Credit Union services directly or indirectly through a member who is considered to be "not in good standing" with the Credit Union.

3. DEFINITION

A member will not be considered to be "in good standing" with this Credit Union if:

- a. the member fails to comply with the terms and conditions of any lawful obligation with this Credit Union and causes the Credit Union to suffer a pecuniary loss;
- b. the member manipulates or otherwise abuses Credit Union services or products to the detriment of the Credit Union's membership; or
- c. the member engages in threatening, abusive, disruptive, obscene, harassing or illegal behavior or otherwise injures any person or damages any property while on Credit Union premises or at any Credit Union function.

The determination of whether a member is in "good standing" with this Credit Union will be made at the sole discretion of the Senior Management of this Credit Union. Any member deemed to be "not in good standing" will be reported at the next regular board meeting.

"Member services" are hereby defined as any products or services now or hereafter provided by or sponsored by this Credit Union or otherwise made available to Credit Union members, which services shall include, but are not limited to: loans, deposit accounts, checking or share drafts, ATM services, notary services and EFT services.

4. POLICY

The availability of member services for members who are not in good standing with this Credit Union shall be restricted.

Any member whose access to member services is limited pursuant to the foregoing shall be permitted to maintain a dividend bearing share account with the Credit Union and shall be permitted to vote at annual meeting and special meetings subject to the bylaws and policies of the Credit Union. In the event the member has limited access to member services due to threatening, abusive, disruptive, obscene, harassing or illegal behavior or for injuring any person or damaging any property on Credit Union premises, the Credit Union's Senior Management, at their sole discretion, may limit further contact with the Credit Union to written communication through the U.S. mail only or other remote access device designated by Credit Union Senior Management. This limitation shall not prohibit a member from exercising his or her rights under federal or state law or regulation.