CoastHills CREDIT UNION

Standard Disclosure of Member Conduct and Limitation of Services Policy

This notice is to inform all members of the implementation of CoastHills' Member Conduct and Limitation of Services Policy, effective November 1, 2024. In accordance with Article XIV, Section 2, of CoastHills Federal Credit Union (Credit Union) Bylaws, notice of the following is given to all members of the Credit Union. Members may be denied services, limited services, and/or expelled from CoastHills Federal Credit Union as permitted by law, regulation, and/or pursuant to the Credit Union's board-approved policies and procedures.

Any member not in good standing because of behavior that meets the "for cause" standard is subject to service limitations. The accounts and services of a member not in good standing may be discontinued, except that the member may retain the right to attend, participate in, and vote at the annual and special meetings of the members, and to maintain a share account.

We may terminate your membership in CoastHills Federal Credit Union in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting of the members, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is through a non-participation policy given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the directors of the Credit Union for cause.

Cause is defined as follows: (A) a substantial or repeated violation of our Membership and Account Agreement; (B) a substantial or repeated disruption, including dangerous or abusive behavior, to the credit union's operations; or (C) fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to us, including in connection with our employees conducting business on behalf of us.

Before the Board votes on expulsion, we must provide written notice to your mailing address (or email, if applicable) of record or personally deliver it. We must provide specific reasons for the expulsion and allow you the opportunity to rebut them through a hearing if you choose. It is your responsibility to keep your contact information with us up to date, and to open and read all notices from us. Unless we determine to allow otherwise, there is no right to an in-person hearing with the Board. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled. You may submit any complaints about your pending expulsion or expulsion to the NCUA's Consumer Assistance Center if the complaint cannot be resolved with the Credit Union.

We will confirm any expulsion with a letter that explains the effect of the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to the Credit Union, and we may demand immediate repayment of any amount owed to us after expulsion, subject to any applicable contract terms and conditions.

Non-participation is defined as follows: a failure to vote in elections, failure to purchase shares from, obtain a loan from, or lend to CoastHills. When enforcing the non-participation policy, the following key limitations apply: (A) Declaring bankruptcy or otherwise causing a loss does not constitute non-participation. (B) If a member reduces their share balance below the par value of one share, and this is the sole reason for that member to be considered "nonparticipating," the member is allowed six (6) months to return their balance to at least one share. If, after six months, the balance remains below the par value, that member may be considered “non-participating.”

Non-participation includes accounts subject to dormancy and escheatment. If a member’s sole share funds are escheated to any state or territory, that member may be expelled for non-participation. Notice is fulfilled by the escheatment notification supplied by CoastHills’ escheatment process.

For additional information on member conduct and a copy of our Member Conduct and Limitations of Services Policy, see Article XIV of our Bylaws. If you have any questions, comments, or concerns regarding these policies or disclosures, please don’t hesitate to contact us at (805) 733-7600 or visit any of our branch locations.