



**HMECU**

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# Policy Manual

Market Code of Conduct Policy

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## Introduction

In 2021, Healthcare and Municipal Employees' Credit Union (herein referred to as "HMECU") adopted the national Master Code of Conduct (MCC) as developed in partnership with the Canadian Credit Union Association (CCUA) in collaboration with the National Credit Union System.

The Code recognizes principles that HMECU pledges to follow for soliciting, promoting, advertising, marketing, selling, or distributing our products and services. The Code demonstrates our commitment to the fair treatment of all those who use our services. HMECU believes in fair sales practices, comprehensive access to banking services, transparency and openness, and a reasonable approach to settling complaints. Members are entitled to the best possible care of their financial interests.

We respect our provincial regulatory obligations, and continually practice excellence in consumer protection. Our code is comprised of the following five key principles:

- **Business Practices:**  
HMECU is committed to providing customer service excellence to all our members using our products and services. It is a core component of our governance and corporate culture.
- **Fair Treatment and Fair Sales Practices:**  
Treating members fairly and demonstrating fair sales practices at all times are integral parts of HMECU business practices.
- **Access to Banking Services:**  
HMECU ensures that all credit union members are granted access to basic financial services.
- **Transparency and Disclosure:**  
HMECU uses plain-language descriptions of products and services in its communications to ensure people make informed decisions.
- **Complaint Handling:**  
HMECU examines complaints, works to settle them fairly, and tracks them to help ensure our practices continue to improve.

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## **1 Business Practices**

### **1.1 Corporate Culture**

HMECU is committed to providing a fair treatment corporate culture towards all our members, using our products and services. It is a core component of our governance and corporate culture. We promote a fair treatment corporate culture by making strategic decisions, demonstrating in our daily conduct, and communicating with all employees, the expectation that fair treatment applies to all Members.

Fair treatment of members encompasses concepts such as ethical behaviour, acting in good faith and the prohibition of abusive practices. Ensuring fair treatment of members encompasses achieving outcomes such as:

- Developing, marketing and selling products in a way that puts members’ interests ahead of our own;
- Providing members with accurate, clear, and sufficient information before, during and after the point of sale, which will allow them to make informed decisions;
- Minimizing the risk of sales which are not appropriate to the members’ needs;
- Ensuring that any advice given is relevant;
- Dealing with member claims, complaints and disputes in a fair and timely manner;
- Protecting the privacy of Member information.

### **1.2 Governance and Accountabilities**

HMECU’s Board of Directors (“Board”), as elected by HMECU membership, is responsible for ensuring the overall fair treatment of Members, which is an integral part of our Corporate Culture. In order to comply with this requirement, HMECU has implemented the following:

- The appointment of the CAMLO who is responsible for the implementation and regular monitoring and review of the Code within business practices;
- The appointment of the Executive Committee as the MCC Board Representative who is responsible for supervising adherence to the Code;
- The annual completion of the CUA Attestation form by the MCC Senior Officer and it’s submission to both the Audit and Risk Committee and FSRA.

### **1.3 Reporting to the Board**

At least annually, the MCC Senior Officer will be responsible for reporting to the Board on HMECU’s adherence to the principles in this Code, including the results of HMECU’s annual self-assessment, and necessary action taken to remedy deficiencies noted in the report.

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## 1.4 Protection of Personal Information

As set out in existing HMECU Policy: 9 Legislation Requirements, 6 Protection of Members' Information and Privacy, HMECU will safeguard, collect, use, and disclose Personal Information in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).

As set out in existing HMECU Policies, HMECU commits to collaborating with partners, contractors and third-party providers for digital financial transactions which adhere to cyber security frameworks that are informed by international or national industry standards or guidelines which support the following principles in accordance with the G7 Fundamental Elements of Cybersecurity for The Financial Sector:

- 1. Cybersecurity Strategy and Framework:**  
Establishes and maintains a cybersecurity strategy and framework.
- 2. Governance:**  
Defines and facilitates performance of roles and responsibilities for personnel implementing, managing, and overseeing the effectiveness of the cybersecurity strategy and framework.
- 3. Risk and Control Assessment:**  
Identifies functions, activities, products, and services—including interconnections, dependencies, and third parties—prioritizes their relative importance, and assesses their respective cyber risks. Identifies and implements controls—including systems, policies, procedures, and training—to protect against and manage those risks within the tolerance set by the governing authority.
- 4. Monitoring:**  
Establishes systematic monitoring processes to rapidly detect cyber incidents and periodically evaluate the effectiveness of identified controls.
- 5. Response:**  
Conducts timely (a) assessments on the nature, scope, and impact of a cyber incident; (b) contains the incident and mitigate its impact; (c) notifies internal and external stakeholders (such as law enforcement, regulators, and other public authorities, as well as members, and third-party service providers as appropriate); and (d) coordinates joint response activities as needed.
- 6. Recovery:**  
Resumes operations responsibly, while allowing for continued remediation, including by (a) eliminating harmful remnants of the incident; (b) restoring systems and data to normal and confirming normal state; (c) identifying and mitigating all vulnerabilities that were exploited; (d) remediating vulnerabilities to prevent similar incidents; and (e) communicating appropriately internally and externally
- 7. Information Sharing:**  
Engages in the timely sharing of reliable, actionable cybersecurity information with internal and external stakeholders (including entities and public authorities within and outside the financial sector) on threats, vulnerabilities, incidents, and responses to enhance defences, limit damage, increase situational awareness, and broaden learning.

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**8. Continuous Learning:**

Reviews the cybersecurity strategy and framework regularly and when events warrant.



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## 1.5 Financial Well-being and Financial Literacy

HMECU values and supports the financial well-being and financial literacy of all Members and Consumers in our community. In this regard, HMECU will implement on-line tutorials available through our website and/or in branch sessions for both members and non-members alike which will provide information/guidance on topics including, but not limited to:

- teaching youth how to properly handle finances and plan for their future;
- how to safely and securely utilize mobile and on-line banking
- a first-time home buyers info session;
- investment strategies – both for new and seasoned investors;
- how to improve your credit score;
- benefits of debt-consolidation

## 1.6 Whistle Blowing

As set out in existing HMECU Policy, HMECU has a definitive procedure in place and provides a channel through which whistle blowers can report suspected unethical conduct in anonymity, and without the fear of reprisal or unwarranted negative consequences, while respecting the rights of those about whom concerns are raised. Employees will be protected, to the extent possible under the circumstances, as set out in HMECU’s procedures.

HMECU’s Board of Directors will be responsible for the annual review, approval, and maintenance of said Whistle Blowing Policies and Procedures and HMECU Management will be responsible for their management, monitoring and control of operations.

## 1.7 Lobbying Activities

HMECU refrains from partaking in any lobbying activities, however, should HMECU decide to occasionally interact with government and comment on policy, legislation, regulation, or other actions of government, HMECU will employ a lobbyist, either on staff or as a consultant, and when doing so will ensure that each lobbyist will:

- Identify that he or she is acting on behalf of HMECU;
- Disclose any conflicts of interest in accordance with subsection 2.1.3 and;
- Act in accordance with any laws and regulations that apply to them, including be registered with the appropriate lobbyist registries.

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## **2 Fair Treatment and Fair Sales Practices**

### **2.1 Fair Treatment**

Fair treatment of Members and Consumers is an integral part of HMECU’s governance and corporate culture and a fundamental issue that impacts our reputation. It involves our conduct at each stage of the life cycle of our products and services. The following sets out what fair treatment encompasses:

#### **2.1.1 Discrimination**

Unless the distinction is required or justified by any law, or is a special Product or Service offering that is designed for Members or Consumers of a particular target market group, HMECU does not discriminate against individuals for any reason as set out in current HMECU Policy.

As such, HMECU ensures, when offering a Product or Service that is designated for Members or Consumers of a particular market group, that this fact is clearly stipulated in all verbiage as to avoid any instances of discrimination.

#### **2.1.2 Take Advantage**

HMECU refrains from knowingly taking advantage of anyone through manipulation, concealment, misrepresentation of facts, unfair dealings, or unethical activity, or knowingly taking advantage of anyone who is unable to protect their own interests.

HMECU ensures that all communication, whether written or verbal, is completely clear, and acknowledged to be fully understood by the member prior to proceeding.

#### **2.1.3 Conflicts of Interest**

Where conflicting interests compete with the HMECU’s duty of care owed to Members and Consumers, risks may be created. HMECU takes all reasonable steps to identify, and avoid or manage, conflicts of interest.

As set out in HMECU Policy, HMECU will decline to act where conflicts of interest cannot be resolved satisfactorily.

#### **2.1.4 Debt Collection**

HMECU does not use threatening, intimidating or abusive language, or apply excessive or unreasonable pressure to repay against any borrower of HMECU, including the use of any false statement, any unfair practice, or harassment.

As set out in HMECU Policy, HMECU will determine when a debt has been deemed uncollectable at the branch level, at which time the account may be referred to a third party for collection following the guidelines set out in HMECU’s Policy.

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## 2.2 Fair Sales

HMECU provides accurate Product and Service information to assist Members and Consumers in making appropriate Product and Service choices. The following sets out what fair sales encompasses:

### 2.2.1 Product and Service Advertising and Promotion

HMECU ensures its advertising, marketing materials, and communications are fair, accurate, clear, not deceptive or misleading, and in accordance with the *Canadian Code of Advertising Standards*.

HMECU also ensures that where it uses the terms “bank”, “banking”, or “banker” in any Product or Service advertising or marketing materials, it will adhere to the “Banking Terminology” requirements set out in section 4.7.

### 2.2.2 Appropriate Products and Services

HMECU gives Members and Consumers sufficient information on the Products or Services, including Lending Activities and Products it offers, to enable that person to select the most suitable, affordable, and appropriate Product or Service for their needs.

### 2.2.3 Professional Standards

As per existing HMECU HR Policy, HMECU exercises reasonable and prudent judgement in the provision of Products and Services. We are committed to the professional development of our employees by communicating relevant product information and market conduct related topics such as ethics and integrity, and ensures that the proper training is provided through such resources as webinars, courses and CU Training.

Knowledgeable employees are accessible in-person through the branch or branch telephone numbers for Members and Consumers to contact if they have questions about a Product or Service. This information is available on HMECU’s website.

### 2.2.4 Tied Selling and Undue Pressure

HMECU refrains from imposing undue pressure or coercion on Members or Consumers to obtain Products or Services – this is considered coercive tied selling. This includes undue pressure or coercion on a person to buy or obtain a Product or Service that they do not want, in order to obtain another desired Product or Service.

### 2.2.5 Preferential Pricing

Preferential pricing means offering a Member a better price or rate on all or part of their business. In instances where HMECU may offer preferential pricing on a Product or Service to a Member or Consumer, we are transparent about such preferential price or rate with the member as well as ensuring that it is fully documented and approved at the correct level, as per existing HMECU procedures.

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### **2.2.6 Negative Option Billing**

HMECU refrains from practicing negative option billing.

### **2.2.7 Obtaining Consent**

HMECU obtains the Members' express consent for new and optional Products or Services (such as mortgage insurance), and for changes made to Agreements (such as increases in credit limits), where the change is not contemplated in the Agreement and will affect the individual's rights and obligations.

### **2.2.8 Risk Management**

HMECU may apply, to the extent necessary, reasonable requirements on Members or Consumers as a condition of acquiring a Product or Service in order to manage risk, costs, or to comply with any laws that apply to HMECU.

### **2.2.9 Providing Products and Services Digitally and Onboarding Digitally**

Where Products and Services are offered digitally, HMECU ensures the same level of fair treatment, transparency, and disclosure is applied as with traditional means, in a manner appropriate to the medium, including, where necessary, access to a knowledgeable credit union employee. HMECU does not currently offer Digital Onboarding, however, should this be offered in the future, the above will apply.

### **2.2.10 Sales Practices**

Sales practices as well as both financial and non-financial incentives should motivate employees to work in the interests of members and not only financial results, targets or goals. Sales practices are tracked and reported to the Board.

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### **3 Access to Banking Services**

HMECU ensures that all credit union members and customers are granted access to fundamental financial services.

#### **3.1 Deposit Account: Opening**

HMECU ensures that all credit union Members, and potential members, are granted access to fundamental financial services. HMECU may open a Deposit Account for any individual whose identity it can verify. Identity will be verified during the Deposit Account Opening process as set out in existing Procedures.

#### **3.2 Deposit Account: Refusal**

HMECU may refuse to open a Deposit Account if it has a sound business reason to do so. A sound business reason can include the following:

- It is suspected or confirmed that the account will be used to break the law or commit fraud;
- That the applicant intentionally provides false information when the during account opening;
- The opening of the account will expose HMECU, or employees to physical harm, harassment, or abuse;
- The applicant has a history of illegal or fraudulent activity with HMECU or any provider of financial services;
- The applicant cannot or will not provide acceptable identification, in accordance with the HMECU's Deposit Account opening process;
- The applicant will not allow HMECU to verify identification or information provided;
- HMECU has a sound business reason to place restrictions on the Deposit Account and the applicant will not accept the restrictions;
- The applicant represents an unacceptable risk to HMECU.

##### **3.2.1 Refusal to Open a Deposit Account – Write-Offs and Poor Credit Bureau Score**

HMECU may also refuse to open a Deposit Account as per below.

###### **Write-offs and Losses**

For applicants with previous write-offs or losses, HMECU will assess whether imposing restrictions will sufficiently mitigate the risk of opening such account, by considering the amount of the loss, the length of time since the loss, and any extenuating circumstances that may have caused the loss or write-off (such as job loss or injury).

If HMECU has suffered a significant loss because of an applicant, it may consider the risk too great to sufficiently mitigate it with restrictions and may refuse to open the Deposit Account.

###### **Poor Credit Bureau Score**

HMECU will assess a poor credit bureau score in order to decide whether or not to open a Deposit Account, however it should not be automatically

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declined. Some weak credit bureau scores may suggest HMECU need only place restrictions on the Deposit Account (such as those listed in section 3.3).

### **3.2.2 When HMECU Refuses to Open a Deposit Account**

When HMECU refuses to open a Deposit Account, it will inform the applicant. HMECU will document such refusal and the reason for refusal being noted and authorized by management.

### **3.2.3 When HMECU Cannot Refuse to Open a Deposit Account**

HMECU will not refuse to open a Deposit Account, solely if:

- The refusal is based on a reason that is prohibited grounds of discrimination as set out in the Ontario Human Rights Code: age, ancestry, colour, race, citizenship, ethnic origin, place of origin, creed, disability, family status, marital status, gender identity/expression, receipt of public assistance, record of offences (employment only), sexual orientation, accommodation, contracts, employment, membership in unions, trade or professional associations.
- The applicant does not have a job or has been bankrupt, unless the bankruptcy has resulted in write-offs or losses to HMECU (see Write-Offs and Losses in subsection 3.2.1).

### **3.2.4 When HMECU Should Not Refuse to Open a Deposit Account**

Subject to sections 3.2 and 3.3 (including all subsections) HMECU should not refuse to open a Deposit Account, if, other than HMECU's minimum share requirement, the applicant is not making an immediate initial deposit.

### **3.2.5 Closing a Deposit Account**

Where HMECU closes a Deposit Account, it will do so in accordance with the Agreement that governs the relationship between the Member and the HMECU, as set out in the Membership Account Agreement Terms and Conditions.

## **3.3 Deposit Account: Restrictions**

As set out in the Membership Account Agreement, Terms and Conditions, HMECU may choose to impose restrictions on certain Deposit Accounts for risk management purposes. These may include:

- Placing temporary holds on cheques deposited to allow reasonable time for such items to clear;
- Limiting the amount of cash provided back on cheque deposits;
- Limiting or revoking: overdraft or chequing privileges, online privileges, or debit card privileges, including Automated Teller Machine (ATM) withdrawal limits; or
- Placing restrictions mandated by law or legal judgement that applies to the credit union; or
- Placing any other reasonable restrictions necessary for risk management purposes.

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### **3.4 Deposit Account: Low-Fee and No-Fee**

HMECU may offer Low-Fee and/or No-Fee Deposit Accounts to provide access to fundamental banking services to Members who would not otherwise be able to open and operate other types of accounts because of higher costs.

#### **3.4.1 Individuals Eligible for Low-Fee and/or No-Fee Deposit Accounts**

HMECU has clearly set out the criteria for eligibility for Low-Fee and/or No-Fee Deposit Accounts.

#### **3.4.2 Low-Fee Deposit Account – Monthly Fees**

Where HMECU offers a Low-Fee Deposit Account, it will determine the monthly fee to charge for the account. The fee should be appropriate to meet the purpose stated in section 3.4 and should align with the *Financial Consumer Agency of Canada's* guidelines governing federal financial institutions.

#### **3.4.3 Features of Low-Fee and/or No-Fee Deposit Accounts**

Where HMECU offers a Low-Fee and/or No-Fee Deposit Account, the features are clearly displayed in the HMECU Service Charge listing which is available to every Member and prospective Member. HMECU may apply charges for transactions that occur which are over the monthly limit. These features may include:

- No charge for deposits or credits;
- A debit card, for qualifying Members or Account Holders;
- Free pre-authorization forms;
- Free cheque image return or online cheque image viewing;
- Free monthly account statements ;
- Mobile and online banking access; and/or
- At least eight (8) Debit Transactions per month.

### **3.5 Access to Funds**

As per the Access to Funds Regulations for federally regulated financial institutions, individuals should have immediate access to the first \$100 of all funds deposited by cheque (on any one day) into a deposit account, or on the next business day, if the cheque is deposited through an Automated Teller Machine (ATM). Although the Access to Funds Regulations do not apply to credit unions, HMECU may grant Members with the same access to funds as set out in these Regulations (*i.e. only with respect to paper-based cheques deposited in Canada that are encoded with magnetic ink to allow for character recognition, are not damaged or mutilated such that they are unreadable by cheque clearing systems, are drawn on an institution's branch located in Canada and are issued in Canadian dollars*).

#### **3.5.1 Restricting Access to Funds**

For Risk management purposes, HMECU may limit the amount of funds accessed or extend the hold-period for cheques deposited into Deposit Accounts. These may be changed, from time to time, as deemed appropriate by the credit union. HMECU should have a sound business reason for limiting access or changing hold periods.

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Where HMECU reduces a funds access limit amount or increases a cheque hold-period, it will inform the affected Member of that change.

### 3.5.2 Refusal of Access to Funds

HMECU does not have to grant Members or Account Holders with access to funds deposited by cheque, into a Deposit Account, if:

- The account has been opened for less than 90 days;
- The cheque has been endorsed more than once;
- The cheque is being deposited more than six months after the date of the cheque;
- The cheque is not issued in Canadian dollars;
- The cheque is issued from a branch outside of Canada; or
- HMECU has reasonable grounds to believe that the deposit is being made for illegal or fraudulent reasons.

### 3.5.3 When HMECU Refuses Access to Funds

Where HMECU refuses a Member's request to access the first \$100 deposited by cheque (on any one day) into a Deposit Account, HMECU will inform the individual that it will not be making the funds available.

## 3.6 Cashing Government Cheques

The *Access to Basic Banking Services Regulations* for federally regulated financial institutions states that any branch that dispenses cash through a teller must cash a Government of Canada cheque if the cheque is for \$1,500 or less, at no cost to the individual, as long as the individual cashing the cheque shows acceptable identification. The federal government provides an indemnity of up to \$1,500, per occurrence, to all financial institutions that provide this service and are members of the Canadian Payments Association. While the *Access to Basic Banking Services Regulations* do not apply to credit unions, HMECU may follow the Regulations for cashing Government of Canada for \$1,500 or less.

### 3.6.1 Refusal to Cash Government of Canada Cheques

HMECU may refuse to cash a Government of Canada cheque if one or more of the following apply:

- The consumer is not a member;
- The cheque is for more than \$1,500;
- The individual requesting to cash the cheque cannot produce acceptable identification.
- The cheque has been endorsed or signed by a third-party;
- There is evidence that the cheque has been altered in any way or is counterfeit;
- HMECU has reasonable grounds to believe that there has been illegal or fraudulent activity in relation to the cheque; or
- HMECU cannot verify that the cheque is legitimate, after contacting the federal government's Cheque Redemption and Control Directorate.



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### **3.6.2 Refusal to Cash Government Cheques for Individuals That Are Not Members**

There is no legal requirement that HMECU must cash a Government of Canada cheque for anyone who is not a Member. However, in light of the federal regulations for banks, and the indemnity provided to all financial institutions that are members of the Canadian Payments Association, this is an expected, but not mandatory industry standard.

### **3.6.3 Direct Deposit of Government of Canada Cheques**

HMECU will assist its Members in signing up for direct deposit of their payments, upon request. HMECU will communicate the advantages of direct deposit such as: reliability, security, confidentiality and being environmentally friendly.

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## 4 Transparency and Disclosure

### 4.1 Properly Informed Decisions

HMECU facilitates its Members' ability to make properly informed decisions about a Product or Service, by:

- Providing information that is:
  - Easy to understand and drafted in plain language (wherever possible),
  - Clear about any risks, exclusions or limitations,
  - Up to date,
  - Does not hide, diminish, or obscure important statements or warnings, but rather makes sure important information is prominently displayed, and
  - Is based on disclosed personal circumstances and financial needs of the Member or Consumer;
- Answering any questions asked about a Product or Service;
- Having employees identify the types of Products or Services they are licensed or registered to sell or offer (if applicable); and
- Disclosing any conflicts of interest in accordance with section 2.1.3 (if applicable).

### 4.2 Plain Language Product and Service Info

HMECU will, periodically, and as needed, review Product and Service information to ensure it is written in plain language. Where necessary, HMECU will amend Product or Service information to be in plain language.

### 4.3 Disclosure: Legally Required

As set out in Agreements between the Member and HMECU, and/or Provincial Legislation, HMECU will disclose all legally required information.

### 4.4 Disclosure: Before or at Time of Sale

HMECU will facilitate the Members' ability to make informed decisions about a Product or Service, by informing of the following:

- The key features;
- Any associated risks, exclusions, or limitations;
- Any financial implications of a transaction;
- All costs, including fees and charges;
- Terms and Conditions that apply, including any potential renewal requirements;
- The person's rights and obligations (e.g. their right to file a complaint or to cancel a Product or Service); and
- The level of guarantee associated with the Product or Service (if applicable).

These disclosures will also apply to online activities.

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#### 4.4.1 Product Fact Sheets

HMECU has Product or Service information available to provide to Members, and Consumers in the form of fact sheets. This information will be made available both in paper and digital format, will be written in plain language, and, at a minimum, will list the features set out in section 4.5.

#### 4.4.2 Disclosure at Deposit Account Opening

When a person opens a Deposit Account in-person, HMECU will, at a high level, draw the person's attention to the key areas in the Terms and Conditions Agreement that relate to the Deposit Account. For example, areas that speak to:

- Fair Dealings;
- Account Statements;
- Closing the Account;
- Fees and Service Charges, including notices of changes;
- Privacy information, including safeguarding, collection, use and disclosure;
- Changes to the Terms and Conditions Agreement; and
- Where applicable:
  - Restrictions associated with the Deposit Account,
  - Online, mobile banking, and electronic transfer privileges,
  - Cheque privileges,
  - Stop payments,
  - Electronic communication,
  - Cancellation terms,
  - Relationships and third-party transactions,
  - Deposit insurance coverage,
  - The steps the Deposit Account holder should take in the case of unauthorized transactions, including stolen cards,
  - Liability of HMECU (e.g., unauthorized transactions), and
  - HMECU's complaint handling procedure, as referred to in section 5.

#### 4.5 Disclosure: After Time of Sale

HMECU will help Members use their Products and Services and keep them informed by providing regular statements (where appropriate) and by providing notice of changes to interest rate and service charges and advise members when Terms and Conditions change. This will be done in accordance with the "Notice" section in this Code (subsection 4.6.1).

##### 4.5.1 Providing Product or Service-Related Documentation

When a Member acquires a Product or Service, HMECU will make available to that person, a copy of the documentation associated with that Product or Service.

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#### 4.5.2 Providing Product Related Statements

After a Member acquires a Product or Service, HMECU will provide statements as legislated, and when requested by the Member.

Where statements have already been provided to the Member or Account Holder, the credit union may charge a reasonable fee for providing duplicate copies.

#### 4.5.3 Providing Mortgage Information

Upon request, HMECU will provide general mortgage information to Members that have mortgages. The general information should include, the cost of borrowing, how the prepayment penalty is calculated, applicable prepayment privileges, and a contact number the Member can call to obtain specific information about his or her mortgage from HMECU. HMECU will abide by all provincial and national regulations governing disclosure of the cost of borrowing. The information provided to the member is easily understandable, and does not hide, diminish or obscure important statements or warnings HMECU will abide by all provincial and national regulations governing disclosure of the cost of borrowing.

### 4.6 Notices

#### 4.6.1 Changes to Terms and Conditions, Service Fee or Account Structures, and Interest Rates

HMECU will notify Members of changes to Terms and Conditions, Service Fees or Account Structures, and Interest Rates in accordance with applicable disclosure legislation, or as set out in the respective Product or Service Agreement. Where notice is not set out in legislation or the respective Agreement, HMECU will provide notice, as follows:

##### **Change to Terms and Conditions**

Notice will be provided and maintained for, at a minimum, 30 days after the change(s) take effect. HMECU can make changes to the Terms and Conditions to correct clerical errors without notice to Members or Account Holders.

Notice will be provided and maintained through HMECU's website (if applicable), and either by mail, statement message, or electronically.

The use of the Member's Accounts after the effective date of change is the Member's acceptance of the changes.

##### **Changes to Service Fees or Account Structures**

HMECU will notify Members, at a minimum, 30 days before any change(s) take effect. Notice will be provided through HMECU's website (if applicable), or by mail, or statement message, or electronically.

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## 4.6.2 Branch Closures

### Permanent or Temporary Branch Closures

HMECU will notify affected Members that the branch will be closing, as required (referred to in section 4.3). Where HMECU is not required to provide notice of permanent or temporary branch closures, notice will be provided in the following manner:

- **Permanent Branch Closures**

For permanent branch closures, HMECU will provide notice, in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner:

- With at least four months' notice before the branch will be closing;
- As soon as possible, if the branch will be closing in less than four months; or
- As soon as possible, if the branch closes permanently due to unforeseen circumstances.

- **Temporary Branch Closures**

For temporary branch closures, HMECU will provide notice in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner:

- Within a reasonable period of time before the temporary branch closure; or
- Within as soon as possible after the branch is closed, if the branch closes temporarily due to unforeseen circumstances.

## 4.6.3 Automated Teller Machines (ATM) Closures

HMECU should notify Members that the ATM will be closing, as legally required (referred to in section 4.3).

Where HMECU is not legally required to provide notice of permanent or temporary ATM closures, HMECU will provide notice when all of the following apply:

- The ATM will be closing Permanently, Temporarily, or is closed due to unforeseen circumstances, and
- HMECU's only provision of financial services is the ATM
- The ATM is not located in an urban area or in a rural area where there is another retail deposit-taking branch within a travelling distance of 10km from the branch, the credit union will provide notice requirements

### Permanent ATM Closures

For permanent ATM closures, HMECU should provide notice in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner:

- With at least two months' notice before the ATM will be permanently closing;
- If the ATM will be closing in less than two months, HMECU will provide notice as soon as possible; or
- If the ATM goes out of service due to unforeseen circumstances and will be closed permanently, as soon as possible after the ATM is out of service.

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### Temporary ATM Closures

For temporary ATM closures, HMECU should provide notice in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner:

- If the ATM will be temporarily out of service, within a reasonable period of time before the ATM will be out of service; or
- If the ATM temporarily goes out of service due to unforeseen circumstances, as soon as possible after the ATM is out of service.

#### 4.6.4 Notice Content for Permanent and Temporary Branch or ATM Closures

For all Permanent or Temporary Branch or ATM Closures, notice will be provided through one or more appropriate communication methods. This may include in-branch posting, website updates, mail, statement message or any other appropriate digital notification.

Notice for permanent and temporary branch or ATM closures, not due to unforeseen circumstances should include:

- The location of the branch or ATM and the date proposed for its closure,
- Alternative sites where, after that date, Members may obtain services similar to HMECU, or a telephone number that Members may call to be informed of those sites,
- How HMECU may be contacted in respect of the permanent or temporary branch or ATM closure, and
- Where the branch or ATM closure is temporary, an estimated date, if known, when the branch will be re-opened or the ATM will be available for use.

Notice for permanent or temporary branch or ATM closures due to unforeseen circumstances should include:

- The location of the branch or ATM closure,
- Alternative sites where Members may obtain services similar to HMECU's, or a telephone number that Members, Account Holders, or Consumers may call to be informed of those sites, and
- How HMECU may be contacted in respect of the branch or ATM closure.

### 4.7 Banking Terminology Disclosure Requirements

#### 4.7.1 Disclosure

When HMECU uses the words "bank", and/or "banking", and/or "banker" in Advertisements or Marketing Materials and when Onboarding, HMECU will disclose:

- That the Account being opened is a credit union Account (during Onboarding),
- That HMECU is not a Bank,
- The province HMECU is authorized to operate in, and
- HMECU's deposit insurance system.

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#### 4.7.2 Disclosure Exemptions

Disclosure exemptions include but are not limited to the following:

- Bank account
- Banking
- Banking access
- Banking information
- Banking services
- Banking system
- Banking transaction
- Electronic banking
- Internet banking
- Mobile banking
- Online banking

#### 4.7.3 Definitions – Advertisement, Marketing Materials, and Onboarding

For the purposes of section 4.7, Advertisements, Marketing Materials, and Onboarding mean the following:

##### **Advertisements**

An advertisement includes any promotion of any HMECU Products or Services, made in any manner, including in-branch, in print, on the radio, on the television, and in electronic media.

##### **Marketing Materials**

Marketing Materials includes any materials that HMECU makes available to any individual for the purpose of making that individual aware of any HMECU Products or Services, including materials in print and electronic form.

##### **Onboarding**

Onboarding means the opening of any Account for any individual who has no other Accounts with HMECU.

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## **5 Complaint Handling**

### **5.1 Complaint Handling Procedures and Practices**

A complaint is an expression of dissatisfaction about a Product or Service provided by HMECU.

HMECU will establish a policy and/or procedure for fairly and transparently resolving complaints, internally, that are made by Members. The credit union will designate a compliance officer or a senior employee to be responsible for handling complaints.

HMECU has an established a process for handling complaints that cannot be resolved satisfactorily internally, with the option to escalate an unresolved complaint to a complaint handling system that is independent of HMECU.

### **5.2 Making Complaint Handling Information Available**

HMECU will make available to Members their complaint handling policy and/or procedure and the contact information for accessing the service. This information will be made available on HMECU's website (if applicable), and in branch upon request.

### **5.3 Handling Complaints**

The credit union will handle complaints in a fair and transparent manner and responses will be timely.

### **5.4 Record Keeping**

HMECU will maintain records of complaints received and the action taken to deal with them, for reporting purposes (in accordance with section 5.5), and if needed for future reference by HMECU or regulator (if applicable). The types of complaints that require record keeping is set out HMECU's complaint handling policy and procedure.

### **5.5 Reporting Complaints**

As set out in current HMECU Procedures, HMECU's Complaints Officer will report to the Board of Directors, at least annually, on the number of complaints received, the general nature of those complaints, how those complaints were dealt with and identified trends in complaints. The types of complaints that require reporting to the Board will is set out in HMECU's complaint handling policy and procedure.