CENTRAL NEW MEXICO ELECTRIC COOPERATIVE INC.

# Board Policy

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| Authority: CNMEC, Inc. Board of Trustees | | Policy No. | **3.27** |
| Board of Trustees President's Signature | | Subject: | **Non-Sufficient Checks (NSF's)** |
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## I. POLICY STATEMENT

To provide for the prompt collection of amounts due from consumers for their services from the Cooperative in the event of payment with a non-sufficient funds ("NSF") check.

## II. POLICY CONTENT

A. Consumers shall receive a monthly bill for services and/or products purchased from the Cooperative. This bill shall identify the charges due for each type of service and/or product purchased from the Cooperative and shall comply with all applicable New Mexico Public Regulation Commission rules and regulations.

B. The Cooperative uses a third-party service provider to process non-sufficient funds ("NSF") checks. Each bill shall include a written notice to the consumer indicating that (1) if the Cooperative receives a returned check from the consumer, the amount of the returned check plus a collection fee of a stated amount may be debited from the consumer's account electronically or by paper draft by the third-party service provider (or a representative of the third-party service provider), and (2) setting forth the third-party service provider's telephone number for the consumer to call if such a debit occurs.

C. If the Cooperative receives notice from the third-party service provider that a consumer has paid a bill from the Cooperative with an NSF check, the Cooperative shall examine the consumer's account for other NSF checks. Once the Cooperative has received a second NSF check from the consumer, the Cooperative shall send written notice to the consumer that (1) the third-party service provider may electronically draft the consumer's bank account for the amount of the returned check, plus applicable fees, including but not limited to the collection fee; (2) the Cooperative will no longer accept payment in the form of a check on the consumer's account; and (3) all future payments for a twelve month period on the consumer's account must be made in the form of cash, money order, cashier's check, or credit card.

D. The Cooperative's third-party service provider shall continue its efforts to collect funds on the second NSF check. If, after 30 days, those funds have not been collected, the account shall be deemed delinquent. Collection procedures will proceed in accordance with the Public Regulation Commission Rules. In order to avoid disconnection, the delinquent consumer must make full payment in the form of cash, money order, cashier's check, or credit card.

E. Before electric service is reconnected, all past due electric service charges and a reconnection charge must be paid in full. As a condition of reconnection, the Cooperative may require the consumer to provide a security deposit.

## III. RESPONSIBILITY

It shall be the responsibility of the General Manager to see that the provisions of this Policy are carried out.