



*Life happens! Desert Financial understands that unexpected overdrafts occur from time to time. That's where overdraft coverage can help.*

# OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND PRIVILEGE PAY

COVERAGE FOR UNEXPECTED OVERDRAFTS



## WHAT ARE MY OVERDRAFT COVERAGE OPTIONS?

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Link to a deposit account you have at Desert Financial <sup>1</sup>	\$5 fee per transfer
Overdraft Protection Line of Credit <sup>1,2</sup>	\$5 transfer fee + interest
Privilege Pay	\$35 Paid NSF Fee per item

<sup>1</sup>Contact the Desert Financial Member Assistance Center at 602-433-7000, or come by a branch to sign up or apply for these services. <sup>2</sup>Subject to credit approval.

## WHAT IS OVERDRAFT PROTECTION?

Overdraft Protection services apply to all types of transactions and may protect your account from being overdrawn. It automatically transfers funds to your checking account from another Desert Financial account or line of credit for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

## WHAT IS PRIVILEGE PAY?

Privilege Pay allows you to overdraw your account to pay a transaction, up to the disclosed limit and for a fee.

Desert Financial may provide you with a specific Privilege Pay limit, depending on the type of account you have. You will receive a letter approximately 30 days after account opening (for consumer accounts), or after 60 days (for business accounts), informing you that Privilege Pay has been activated on your account. You do not have Privilege Pay until you receive this notification.

Even if you have Overdraft Protection (described above), Privilege Pay is still available as secondary coverage if the other protection sources are exhausted.

## WHAT TYPES OF TRANSACTIONS DOES PRIVILEGE PAY COVER?

The types of transactions covered by Privilege Pay depend on the coverage selected. Refer to the chart on the right for more information.

If you choose Full Coverage, all the transaction types listed in Standard Coverage are included, along with ATM withdrawals and everyday debit card transactions. Desert Financial will not authorize overdrafts for ATM withdrawals and everyday debit card transactions on consumer accounts unless you give us your consent to pay these overdrafts by electing Full Coverage.\* Business accounts automatically have Full Coverage.\*

	Standard Coverage (No action required)	Full Coverage *(Your consent required)
Checks	X	X
ACH – Automatic Debits	X	X
Recurring Debit Card Payments	X	X
Online Bill Pay Items	X	X
On-us Checks Cashed at Our Teller Windows	X	X
ATM Withdrawals		X*
Everyday Debit Card Purchases		X*

Please be aware that the Privilege Pay amount is not included in your balance you receive in the app, online banking, telephone banking or Desert Financial ATMs.

## HOW MUCH DOES PRIVILEGE PAY COST?

The Paid NSF Fee of **\$35** per transaction will be imposed for overdrafts created by checks, ACH, point-of-sale transactions, ATM withdrawals or by other electronic means. If multiple items would overdraw your account on the same day, each item would be assessed the appropriate fee. This is the same fee that Desert Financial charges for items returned to the payee due to insufficient funds.

For consumer accounts, there is a maximum of four Paid NSF Fees or Unpaid NSF Fees (**\$140**) per processing day that will be charged. Desert Financial will not charge a Paid NSF Fee if a consumer account is overdrawn by **\$5** or less. These exceptions do not apply to business accounts.

All fees and charges will be included as part of the Privilege Pay limit amount. Your account may become overdrawn in excess of the Privilege Pay limit as a result of the assessment of a fee. The total negative balance, including all fees and charges, is due and payable upon demand. All owners of an account will be jointly and severally liable for all such amounts as described in the Statements of Terms, Conditions and Disclosures.

## WHAT IF I DON'T WANT PRIVILEGE PAY?

You can request to discontinue the Privilege Pay service in its entirety at any time by contacting the Desert Financial Member Assistance Center at 602-433-7000. Without Privilege Pay, your insufficient funds items will be returned to the payee and/or declined at the point of purchase, unless you have Overdraft Protection available to cover the item(s). You will be charged the standard Unpaid NSF Fee of **\$35** for all returned items.

## WHAT IF I WANT DESERT FINANCIAL TO PAY MY ATM WITHDRAWALS AND EVERYDAY DEBIT CARD OVERDRAFTS (FULL COVERAGE)?

If you want Desert Financial to authorize and pay overdrafts caused by ATM withdrawals and everyday debit card transactions (Full Coverage), tell Desert Financial by using one of the following methods:

- Call the Desert Financial Member Assistance Center at 602-433-7000
- Log into your account through online banking at [DesertFinancial.com](https://www.DesertFinancial.com)
- Visit one of Desert Financial's convenient branch locations
- Complete the Consent Form, which was previously provided to you and is available at any branch, then mail it to Desert Financial at Attn: Member Assistance Center, P.O. Box 2945, Phoenix, AZ 85062-2945

*NOTE: Business accounts automatically have access to Privilege Pay for ATM withdrawals and everyday debit card transactions (Full Coverage).*

## WHAT ELSE DO I NEED TO KNOW?

- This describes the posting order to determine overdrafts. Our general policy is to post items throughout the day and to post credits before debits. The following transactions post in the order in which they are received: teller transactions and other force post items, recurring non-PIN point-of-sale transactions, ATM transactions, non-PIN point-of-sale transactions, PIN point-of-sale transactions, ACH credits, ACH debits, external transfers, scheduled disbursements, automatic loan payments and then on-us check clearing. However, exceptions may occur. Because of the many ways Desert Financial allows you to access your account, the posting order of individual items may differ from this general policy. Holds on funds — as described in this brochure — and the order in which transactions are posted may impact the total amount of Paid NSF Fees or Unpaid NSF Fees assessed.
- A single larger overdraft will result in just one Paid NSF Fee, as opposed to multiple smaller overdrafts.
- Although under applicable card network rules, Desert Financial may be obligated to pay some unauthorized debit card transactions, Desert Financial will not authorize debit card or ATM transactions unless there are sufficient available funds (including overdraft coverage) to cover the transactions and the amount of any fee(s).
- Giving Desert Financial your consent to pay everyday debit card and ATM overdrafts may result in you incurring Paid NSF Fees for transactions that Desert Financial would otherwise be required to pay without assessing a Paid NSF Fee. However, this may allow Desert Financial to authorize transactions up to the amount of your Privilege Pay limit.
- Desert Financial authorizes and pays transactions using the available balance in your account. Desert Financial may place a hold on deposited funds in accordance with the Funds Availability policy as stated in the most recent Statements of Terms, Conditions and Disclosures, which will reduce the amount of your available balance. The available balance for checks, ACH items and recurring debit card transactions is comprised of the ledger balance, minus any holds on deposited funds and any debit card holds, plus the amount of the Privilege Pay limit and any available overdraft protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, minus any holds on deposited funds and any debit card holds, plus any available overdraft protection, but does NOT include the Privilege Pay Limit. For accounts with Full Coverage, the Privilege Pay Limit is included in the available balance for authorizing ATM and everyday debit card transactions. If the available balance is not sufficient to cover a transaction, any available overdraft protection source and/or the amount of the Privilege Pay limit may be used to authorize and pay a transaction.
- Desert Financial will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by card network rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds are released and returned to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, a Paid NSF Fee may be assessed.
- Except as described in this brochure, Desert Financial will not pay items if your account and other sources do not contain sufficient funds (including the Privilege Pay limit) to cover the item(s) and the amount of any fee(s).
- Privilege Pay is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Privilege Pay may be discontinued if you default on any loan or other obligation to Desert Financial, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 30 days of the initial overdraft date.

## OVERDRAFT PROTECTION AND PRIVILEGE PAY SUMMARY

- Overdraft Protection services allow you to link other accounts you have with Desert Financial to your checking account in order to prevent overdrafts. These services are less expensive options than an overdraft.
- Privilege Pay allows you to overdraw your account for a Paid NSF Fee of **\$35** per transaction in order to pay a transaction.
- Privilege Pay limits of up to \$800 are available for eligible personal checking accounts in good standing that are open for at least 30 days.
- Privilege Pay limits of up to \$800 are available for eligible business checking accounts in good standing that are open for at least 60 days.
- Standard Coverage covers checks, online bill payments, ACH transactions and automatic, pre-authorized debits that you establish (insurance premiums, utility bills, etc.).
- Full Coverage covers the Standard Coverage transactions above, along with ATM withdrawals and everyday debit card transactions on your personal accounts with your prior consent. Business accounts automatically have Full Coverage.
- Both Overdraft Protection and Privilege Pay may enable you to avoid expensive merchant returned-check charges.
- Both Overdraft Protection and Privilege Pay may enable you to avoid having your ATM withdrawals or debit card transactions declined due to insufficient funds.
- You must deposit the full amount of the overdraft within 30 days from the initial overdraft date, including any fees assessed to continue to receive Privilege Pay.
- Good account management is the best way to avoid overdrafts. Use Desert Financial's app, online banking and telephone banking services to help you keep track of your balance.
- For additional money management tips, visit Desert Financial's website at [DesertFinancial.com](https://www.DesertFinancial.com).

If you have questions about Overdraft Protection or Privilege Pay, please call the Desert Financial Member Assistance Center at 602-433-7000.

Desert Financial Credit Union  
Attn: Member Assistance Center  
P.O. Box 2945  
Phoenix, AZ 85062-2945

Federally insured by NCUA |  Equal Housing Lender