



Overdraft Protection and Overdraft Coverage Options

Coverage for unexpected overdrafts



Life happens! Desert Financial understands that unexpected overdrafts occur from time to time. Our Overdraft Services can help.

What are my options for covering overdrafts?

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

Service	Cost
Overdraft Protection link to another deposit account you have at Desert Financial	No transfer fee
Overdraft Protection Line of Credit ¹	No transfer fee + interest
Overdraft Coverage: Standard or Debit Card	\$30 Overdraft Fee per paid transaction No fee for transactions returned unpaid ²

Contact us at (602) 433-7000 or visit one of our convenient branch locations to link an existing account to your checking as Overdraft Protection or to apply for an Overdraft Line of Credit.

¹Applications for a new Overdraft Line of Credit are subject to credit qualification and approval.

²An Overdraft Fee is assessed each time Desert Financial pays a transaction (whether by check, ATM withdrawal, debit card transaction or other means) is paid on your behalf where the amount exceeds your available balance.

What is Overdraft Protection?

Overdraft Protection applies to all transactions and may prevent your account from being overdrawn by automatically transferring funds to your checking account from another account or from a line of credit you may have at Desert Financial. We will not charge a fee when funds are transferred from your linked account to your checking account. If funds are transferred from a line of credit to your checking account, you will be responsible for interest on your balance. Overdraft lines of credit are subject to credit qualification and approval.

What is Overdraft Coverage?

Overdraft Coverage allows you to overdraw your account to pay a transaction up to the disclosed limit and for a fee to pay a transaction. Your Overdraft Coverage limit depends on the type of account you have.

- An Overdraft Coverage limit of up to \$800 will be granted to eligible consumer checking accounts in good standing that have been open for at least 30 days.

What types of transactions does Overdraft Coverage cover?

The types of transactions covered by Overdraft Coverage depend on the coverage level selected. See the chart on the right for more information.

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

	Standard Overdraft Coverage (No action required)	Debit Card Overdraft 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*
Debit Card Transactions		X*

*Business accounts are automatically enrolled in Debit Card Overdraft Coverage, which covers ATM withdrawals and debit card transactions. If you want to authorize a change to your Overdraft Coverage, tell us by using one of the following methods:

- Call us at (602) 433-7000.
- Log into your account through Online Banking at [DesertFinancial.com](https://www.DesertFinancial.com) and update your Overdraft Coverage Level.
- Visit one of our convenient Desert Financial branch locations.

- An Overdraft Coverage limit of up to \$800 will be granted to eligible business checking accounts in good standing that have been open for at least 60 days.
- Overdraft Coverage limits may be reduced or suspended at any time in Desert Financial's sole discretion and without prior notice, including but not limited to if you default on any loan or other obligation to Desert Financial, your account becomes subject to any legal or administrative order, garnishment or levy, or if you fail to bring your account to a positive balance within 30 days of the initial overdraft date. Failure to repay an overdrawn balance, including the amount of assessed fees within 45 days from the initial overdraft date may result in the overdrawn account being charged off.

Desert Financial will mail you a letter approximately 30 days after account opening (for consumer accounts), or after 60 days (for business accounts), confirming that Overdraft Coverage has been activated on your account. Due to potential delays in mail delivery, Overdraft Coverage may be active on your account prior to your receipt of your letter.

Even if you have Overdraft Protection (described above), Overdraft Coverage is available when your Overdraft Protection sources are exhausted. Your Overdraft Coverage limit amount is not included in your Available Balance provided through online and mobile banking or ATMs (including Desert Financial ATMs).

How much does Overdraft Coverage cost?

Linking to another account or using a line of credit as Overdraft Protection is free (aside from any accrued interest on a line of credit) and could save you money on overdraft fees.

An Overdraft Fee of **\$30** will be assessed to your checking account for each transaction that is paid on your behalf when the amount exceeds your account's available balance. For consumer accounts, Desert Financial will charge a maximum of four Overdraft Fees (**\$120**) per processing day (Monday through Sunday, excluding federal holidays). **This daily maximum does not apply to business accounts.** Desert Financial will not charge an Overdraft Fee if a transaction results in a consumer account having a negative balance between \$0.01 and \$40.00, or a business account having a negative balance between \$0.01 and \$5.00.

Your account may become overdrawn by more than your Overdraft Coverage limit amount because of a fee. There is no fee for items that are returned unpaid; however, you will be responsible for any fee that the merchant may charge you. The total negative balance, including all fees and charges, is due and payable upon demand.

What if I don't want Overdraft Coverage?

You can request to discontinue the Overdraft Coverage service in its entirety at any time by contacting us at (602) 433-7000 or by logging in to your account through Online Banking at DesertFinancial.com and updating your Overdraft Coverage level.

Without Overdraft Coverage, transactions authorized or presented for payment against an account with an insufficient available balance will be returned as unpaid to the payee and/or declined at the point of purchase, unless you have Overdraft Protection available to cover the item(s).

Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and any assessed Overdraft Fees from funds deposited into your account should call us at (602) 433-7000 to discontinue Overdraft Coverage.

What else do I need to know?

- A \$30 Overdraft Fee will be charged if you overdraw your account. If multiple items overdraw your account on the same day, each item will be assessed an Overdraft Fee of \$30. All fees and charges will be included as part of your Overdraft Coverage limit. Your account may become overdrawn more than the Overdraft Coverage limit amount because of a fee.
- For consumer accounts, there is a maximum of four Overdraft Fees (**\$120**) per processing day (Monday through Sunday, excluding federal holidays) that will be charged. **This daily maximum does not apply to business accounts.** Desert Financial will not charge an Overdraft Fee if a transaction results in a consumer account having a negative balance between \$0.01 and \$40.00, or a business account having a negative balance between \$0.01 and \$5.00.
- Posting Order: The following items post in the order in which they are received: teller transactions, non-PIN point-of-sale transactions, recurring non-PIN point-of-sale transactions, PIN point-of-sale transactions, ATM transactions, ACH credits, ACH debits, external transfers, scheduled disbursements, automatic loan payments, on-us check clearing and other force-post items. For the remainder of the items, Desert Financial posts credits before debits each day. 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 herein, and the order in which transactions are posted may impact the total amount of Overdraft Fees assessed. For example, an item may exceed the available balance in your account and thus overdraft

your account due to a hold on a recent transaction that reduces the available balance in your account.

- The Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in Desert Financial's Statements of Terms, Conditions and Disclosures.
- Desert Financial may be obligated to pay some debit card transactions that are not authorized through the payment system but which Desert Financial is required to pay due to the payment system rules. As a result, you may incur fees if such transactions overdraw your account. However, Desert Financial will not authorize debit card or ATM transactions unless your account's Available Balance (including Overdraft Coverage and Protection Options) is sufficient to cover the transactions and any fee(s).
- Giving Desert Financial your consent to pay debit card and ATM overdrafts on your consumer account (Debit Card Overdraft Coverage) may result in Desert Financial assessing Overdraft Fees for transactions that Desert Financial would otherwise be required to pay without assessing an Overdraft Fee. However, this would allow you to authorize transactions up to the amount of your Overdraft Coverage limit. If you consent to Debit Card Overdraft Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- 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.
- Desert Financial authorizes and pays transactions using the Available Balance in your account. Your Current Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written that are still outstanding or transactions that have been authorized but are still pending. Your Available Balance is the amount available to you to use for purchases, withdrawals, or to cover transactions. The Available Balance is your Current Balance, less any holds due to pending debit card transactions and holds on deposited funds.

- The balance used for authorizing checks, ACH items, and recurring debit card transactions is your Available Balance plus the amount of the Overdraft Coverage limit and any available Overdraft Protection. On accounts with Standard Overdraft Coverage, the balance used for authorizing ATM and debit card transactions is your Available Balance plus any available Overdraft Protection but does NOT include the Overdraft Coverage limit. On accounts with Debit Card Overdraft Coverage, the balance used for authorizing ATM and debit card transactions is your Available Balance plus any available Overdraft Protection and includes the Overdraft Coverage limit.
- Because your Available Balance reflects pending transactions and debit holds, your balance may appear to cover a transaction but later upon settlement, it may not be sufficient to cover such a transaction. In such cases, the transaction may further overdraw your account and be subject to additional overdraft fees. You should assume that any transaction that would overdraw your account based on your Available Balance may create an overdraft.
- Desert Financial will place a hold on your account for any authorized debit card transaction until the transaction settles, usually within two business days (Monday through Friday, excluding federal holidays), 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 your account's Available Balance. If your account is overdrawn after the held funds are added to the Available Balance and the transaction is posted, an Overdraft Fee may be assessed.
- Except as described herein, Desert Financial will not pay items if the Available Balance in your account and linked Overdraft Protection sources (including the Overdraft Coverage limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- Overdraft Coverage is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Standard Overdraft Coverage covers checks, online bill payments, ACH transactions and automatic, pre-authorized debits that you establish (insurance premiums, utility bills, etc.).
- Debit Card Overdraft Coverage covers the Standard Overdraft Coverage transactions above, along with ATM withdrawals and debit card transactions on your personal accounts with your prior consent. Business accounts are automatically enrolled in to Debit Card Overdraft Coverage.
- Both Overdraft Protection and Overdraft Coverage may enable you to avoid expensive merchant-returned checks and missed or late payment charges.
- Both Overdraft Protection and Debit Card Overdraft Coverage may enable you to avoid having your ATM withdrawals or debit card transactions declined due to insufficient funds.
- To continue to receive Overdraft Coverage, you must deposit the full amount of the overdraft within 30 days from the initial overdraft date, including any fees assessed.
- Good account management is the best way to avoid overdrafts. Use Desert Financial's online or mobile banking app and telephone banking services to help you keep track of your balance.
- For additional financial education resources, please visit www.mymoney.gov or our website at DesertFinancial.com.

If you have questions about Overdraft Protection or Overdraft Coverage, please call us at (602) 433-7000 or visit one of our convenient branch locations.

Overdraft Protection and Overdraft Coverage Summary

- Use Desert Financial's online or mobile banking app and telephone banking services to help you keep track of your balance. For financial education resources, please visit www.mymoney.gov.
- Overdraft Coverage allows you to overdraw your account in order to pay a transaction that may otherwise have been returned due to an insufficient account balance for an Overdraft Fee of \$30 per transaction.