



## OVERDRAFT COVERAGE

### Overdraft Coverage Options

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

Service	Cost
Overdraft Transfer <sup>1</sup>	\$5.00 Transfer Fee
Credit Reserve Line of Credit <sup>1, 2</sup>	Subject to fees + interest
Overdraft Privilege	\$35 overdraft fee per occurrence

<sup>1</sup>Contact us at 602.631.3200 or come by a branch to sign up or apply for these services; <sup>2</sup>Subject to credit approval.

**Overdraft Transfer** applies to certain types of transactions and may help protect your account from being overdrawn by automatically transferring funds to your checking account from your primary share account in the event an overdraft occurs. Subject to fees.

**Credit Reserve Line of Credit** allows you to utilize your line of credit for certain types of transactions and may help protect your account against overdrafts by automatically transferring funds to your checking account. Credit Reserve transfers are subject to fees plus interest. Credit Reserve Lines of Credit are subject to credit approval.

**Overdraft Privilege (ODP)** is a discretionary service that allows you to overdraw your account for a fee in order to pay a transaction. Items are paid with an expectation that an immediate deposit will be made to bring the account to a positive balance. Payment of an item(s) does not guarantee item(s) presented in the future will be paid. Eligibility for this service is at our discretion based on account activity and ongoing account handling.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required)*	<b>If you would like to select Extended Coverage for future transactions:</b> <ul style="list-style-type: none"> <li>• Call us at <b>602.631.3200</b> or <b>800.621.0287</b> (outside Maricopa County)</li> <li>• Login to Online Banking to opt-in/out</li> <li>• Visit any branch location</li> <li>• Complete the enclosed form and mail it to: PO Box 7600 Glendale, AZ 85312-7600</li> </ul>
Checks	X	X	
ACH - Auto Debits	X	X	
Recurring Debit Card Payments	X	X	
ATM Withdrawals		X*	
Everyday Debit Card Purchases		X*	

\*If you choose Extended Coverage, **ATM withdrawals and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Extended Overdraft Privilege coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

You are not required to have this service on your account. Members who receive Social Security, federal direct deposit or any other entitlement benefit must opt-out if they do not want the Credit Union to apply those funds to pay an overdraft. You may opt-out of the Overdraft Privilege in its entirety by contacting us at 602.631.3200 or 800.621.0287 (outside Maricopa County).

With the Overdraft Privilege we will, as a discretionary service and not as a right or obligation guaranteed to you, strive to pay your reasonable overdrafts when your account is in good standing and meets eligibility.

Good standing and eligibility includes the following criteria:

- Date account was established
- Number of deposits



- Dollar amount of deposits
- Deposit patterns
- Repayment patterns
- Overdraft activity
- Your account is an eligible type
- You are NOT more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union
- You are NOT subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- Your account is NOT being reviewed for fraudulent activity
- Your account is NOT classified as inactive
- You DO NOT have an unresolved prior loss with the Credit Union

### What Else You Should Know

The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process transactions to your account. We process transactions each business day (Monday through Friday except Federal Holidays) during a late night process.

Once we process your transactions, the results are posted to your account. First, we determine the available balance in your account that can be used to pay your transactions. **NOTE: Certain pending transactions can impact your available balance:** Your available balance will be reduced by pending withdrawals, such as debit card transactions we have authorized and must pay when they are sent to us for payment. These pending withdrawals may be sent to us for payment at a later date. In some circumstances, these transactions may be paid into overdraft if other posted transactions or fees have reduced your balance before the pending transactions are presented for payment. Our policy is to process items as follows: 1) online ATM and POS transactions in the order they are received, 2) ACH transactions, in the order they are received on the day they are processed, 3) signature-based POS transactions, 4) drafts/checks in numerical order on the day they are processed.

If a check, item or transaction is presented without available funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds (NSF). Multiple "presentments": Any item or transaction can be presented for payment multiple times, which is beyond the control of the Credit Union. These multiple presentments by other parties may further overdraw your account balance. Each presentment will be charged a separate overdraft fee even though it may be for a repeat presentment. We will not charge you a fee for paying an overdraft of an ATM or everyday debit card transaction if this is a consumer account and you have not opted-in to that service. The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without available funds and potentially incurring the resulting fees.

- A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. When more than one overdraft item is presented and paid, multiple overdraft fees may be charged.
- The \$35 overdraft fee is the same fee that would be charged if a check was returned as unpaid. If multiple items would overdraw your account on the same day, each item would be assessed an appropriate Overdraft fee or a Return fee. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.
- Even if you have overdraft coverage, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.
- Although under payment system rules, Credit Union West may be obligated to pay some unauthorized debit card transactions.



- Giving us your consent to pay every day debit card and ATM overdrafts may result in you incurring overdraft fees for transactions that we would otherwise be required to pay without assessing an overdraft fee. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available funds that could result in restriction of your debit card.
- We may restrict your debit card use if you incur overdrafts in excess of the available funds in your account, including any Overdraft Privilege limit.
- Credit Union West 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 payment system rules. In some cases, the hold may exceed the amount of the transaction or vice versa.
- The payment of overdrafts is not guaranteed. Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft Privilege may be discontinued if you default on any loan or other obligation to us, 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 thirty (30) days for a minimum of one business day.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Membership Agreement and Fee Schedule. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- Payment of items into overdraft is done so with the understanding that you will be making an immediate deposit to return your account to a positive balance. If your account balance remains overdrawn or we believe you are not managing your account in a responsible manner, we may not be able to pay items presented against insufficient funds. Items presented may be returned and applicable non-sufficient funds item fees may be charged to the account per our current fee disclosure.
- Checking accounts that remain consistently overdrawn may be closed and/or charged off. Closed and/or charged off accounts may be reported to Chex Systems which may have a negative impact on your ability to open future banking relationships.
- Except as described in this letter, Credit Union West will not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).

Good account management is the best way to avoid overdrafts. Use our Mobile and Online Banking and telephone banking services to keep track of your balance.

### **Financial Education**

Credit Union West believes that financial literacy and education helps members make informed decisions. Heightened awareness of personal financial responsibility helps members realize the benefits of responsible money management, understanding the process and the availability of help if problems occur. [www.MyMoney.gov](http://www.MyMoney.gov) is the federal government's website that serves as the one-stop federal financial literacy and education programs, grants and other information. If at any time you feel you need help with your financial obligations please contact us at 602.631.3200 or 800.621.0287 (outside Maricopa County) to discuss your options, or visit your local branch and speak with the Branch Manager.

If you have any questions about your overdraft coverage options, please call us at 602.631.3200 or 800.621.0287 (outside Maricopa County).

**Waiver:** The Credit Union's forbearance from, or delay in, exercising any of the Credit Union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this ODP disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or privileges.

**Effective Date: All information listed in this disclosure is effective as of 08/01/2021.**



## WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft coverage options, such as a link to a share account and/or a link to a line of credit, which may be less costly than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

### ➤➤ **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

We will not authorize and pay overdrafts for the following types of transactions without your consent.

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined.

### ➤➤ **What fees will I be charged if Credit Union West pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to \$35.00 each time we pay an overdraft
- We will not charge more than (6) fees per day for overdrawing your account

### ➤➤ **What if I want Credit Union West to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 602.631.3200 or 800.621.0287 (outside Maricopa County), complete the form below and present it at a branch or mail it to: PO Box 7600, Glendale, AZ 85312-7600. You can also select your overdraft option by logging into Online Banking. You can revoke your authorization for Credit Union West to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and your account number so that we can properly identify your account.

\_\_\_\_\_ I do not want Credit Union West to authorize and pay overdrafts on my ATM and everyday debit card transactions.

\_\_\_\_\_ I want Credit Union West to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Member Name: \_\_\_\_\_

Account Number: \_\_\_\_\_ Date: \_\_\_\_\_

**Credit Union Use Only** TLID \_\_\_\_\_ Branch # \_\_\_\_\_