

REGULATION D “EXPLAINED”

Federally Regulated Savings Withdrawals and Transfer Limits

Federal regulations, specifically Regulation D (“Reg. D”) places limits on the number of certain withdrawals and transfers that a financial institution may allow a member to make from a savings account. Reg. D allows a member to make up to six (6) preauthorized, automatic, telephonic or audio response transfers to another account of your own, or to a third party during a single calendar month. Examples of transfers to a third party include an ACH debit (withdrawal) for a payment of a bill to a vendor. Transactions that exceed the regulatory restrictions will be returned unpaid, and the account will be assessed a non-sufficient funds fee of \$32.00. Excessive withdrawals [greater than 6 transactions in a single calendar month] will be assessed a fee per occurrence of \$5.00. **You may make unlimited withdrawals in person and with your ATM card at an ATM that can process a transfer.**

This will also affect your share draft account, if you are counting on the funds to be transferred by share overdraft transfer. An overdraft transfer from shares to the share draft account will be assessed a fee per occurrence of \$2.00. After a total of six (6) Reg D defined transactions, that automatic share overdraft transfer is **NOT** going to occur. At that point, if you have Courtesy Pay on your checking account, the item will be paid through that program, and you will be assessed a Courtesy Pay fee of \$32.00, even though you may have had sufficient funds in your savings account to cover the transaction. If you do not have Courtesy Pay on your checking account, the item will be returned as non-sufficient funds, and you will be assessed an NSF fee of \$32.00.

HOW CAN YOU AVOID THESE REG D LIMITATIONS?

If you do not have a share draft checking account, the credit union encourages you to set up an account. Set up all ACH debits/withdrawals to come out of your checking account not your savings. Your checking account is a DEMAND deposit account, so has no limitations on the number of withdrawals or transfers that can be made out of it.

When making transfers from shares to checking through Online Banking or AMIE (Phone Access Teller), make one large transfer instead of several small ones.

Maintain a check register, and balance your checking account often. This will help limit the number of share overdraft transfers from shares to checking to cover checks.

Plan ahead! Stop by the credit union or make withdrawals in person, by mail or at an ATM.