

## WHAT IS REG D AND HOW DOES IT AFFECT ME?

Regulation D or Reg. D is a government regulation, which among other things defines transaction accounts and non-transaction accounts. Transaction accounts are allowed an unlimited amount of transactions on the account (i.e. checking (share draft) accounts). Reg. D places limitations on non-transaction accounts (i.e. savings (share) accounts, money market accounts, telephone transfers etc.). Your Credit Union has defined our share accounts\* as non-transaction accounts.

The section of Reg. D causing the most confusion is 12 CFR § 204.2(d)(2), "a member is limited to six preauthorized or automatic withdrawals, telephone transfers, or transfers initiated by personal computer per month on non-transaction accounts." The regulation also states no more than three of the six can be by draft, debit card or similar order payable to a third party.

Transactions counted against Reg. D limits

- Transfers from share account\* using Internet
- Transfers from share account\* using Audio Response
- Transfers from share account\* made by calling an Member Service Representative

Transactions from draft accounts that count against Reg. D limits

- Any transaction which overdraws your share draft account causing us to use overdraft protection transfers from your share account
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Transactions not counted against Reg. D limits

- Transaction by mail
- Transaction at an ATM machine
- Transaction at any of our Branch Offices
- Any deposit at any time

The following are some examples of Reg. D and non-Reg. D Transactions.

Reg. D Transaction	Not a Reg. D Transaction
Internet Transfer from Shares, Club or Money Market	Transfer from Shares, Club or Money Market requested by you <b>in writing</b> and <b>mailed</b> to the credit union
Audio transfers from Shares, Club or Money Market	<b>Withdrawal by check</b> mailed to you
ACH (Automated Clearing House) debit from your share account to make a payment to someone other than The Credit Union	<b>Automatic</b> (payroll) transfer from your share account to any share, share draft or loan account at the Credit Union <b>arranged in advance to occur on a regular basis</b>
Transfer from your share account per a phone call made to a member service representative	Transfer from your share account made <b>in person</b>
Check Card transaction which overdraws your share draft account causing us to transfer funds from	Check Card withdrawal at an <b>ATM</b> machine

your share account	
Clearing a check which overdraws your share draft account causing us to transfer funds from your share account	Clearing a check from your <b>share draft</b> account
Internet or Audio Response transaction to transfer funds from shares to share draft	<b>ATM</b> transaction to transfer funds from shares to share draft
Internet or Audio Response transaction to transfer funds from shares to your loan or other accounts at the Credit Union	Internet or Audio Response transaction to transfer funds <b>from your share draft</b> account to your loan or other accounts at the Credit Union

An easy way to remember:

*A Reg. D transaction is a withdrawal from a savings account that you could complete at home.*

Once you exceed the Reg. D limits the following will apply:

- On Internet or Audio Response\* you will get an error message that the Reg. D limit has been reached and the transaction will not be processed.
- When you call a Member Service Representative for your transfer\*
- The MSR will receive a message that states "...transaction did NOT post successfully...will exceed allowable Reg. D transfers" and the transaction will not post.
- During a share draft or ACH post
- The item will be returned and an Insufficient Funds fee charged.
- During a Debit card post
- Since we cannot return authorized debit card transactions, the item will post. However, you will be charged an overdraft fee.

\*These transactions can be completed at the Credit Union or any ATM.

You can check at any time how many Reg. D transactions you have had during the current month by contacting a member service representative.

#### **How can I avoid exceeding Reg. D limits?**

- Recurring electronic payments can be made from your checking account, which is a transactional account and not subject to Reg. D limitations.
- Keep sufficient funds in your share draft account to avoid overdraft transfers.
- Open an overdraft line of credit to protect yourself instead of using overdraft transfers.
- Make your transfers at the Credit Union ATM or Credit Union Office.