

What is Regulation D?

Regulation D (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). Regular share accounts and money market accounts are included in the definition of a savings account. Regulation D imposes a six transfer/withdrawal limit on savings accounts.

HOW Does Reg. D effect you? Do you treat your savings account like a checking account? It's tempting to keep the bulk of your funds in your BluCurrent savings account and transfer funds only as you require. However, the number of withdrawals and transfers per month from your savings account is limited due to federal regulations. You are permitted up to 6 TOTAL of any combination of the savings withdrawal transactions within a calendar month not including loan payments. No more than 3 of the 6 transactions may be made by a check or check card payable to third parties.

RESTRICTIONS NECESSARY ON TRANSFERS OR WITHDRAWALS FROM CREDIT UNION SAVINGS ACCOUNTS TO KEEP THE ACCOUNTS FROM BEING CLASSIFIED AS TRANSACTION ACCOUNTS

Unlimited withdrawals permitted when:

- Made in person
- Made by messenger
- Made by a letter request (considered the functional equivalent of the member coming into the credit union)
- Made by telephone, fax or PC, if a check payable to the member is mailed to the member
- Made using an ATM

Unlimited withdrawals permitted when:

- Made between the accounts of the same member AND made in person, by messenger, by mail or at an ATM
- Made by the member to pay a loan the member has with the credit union

Up to six withdrawal or transfers permitted per month when:

- Made by telephone, fax, or personal computer and payable to a third party
- Made by telephone, fax or PC to another account of the member at the credit union
- Made by preauthorized, automatic or bill-payment arrangement for transfer to the member's other account(s) at the credit union or to a third party

An easy way to remember a Reg D Transaction: *Any transaction you can complete from home.*

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

- On Internet or Audio Response you will receive 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 (MSR) for your transfer the MSR will receive a system message that the 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 will be charged.
- Authorized debit card posts cannot be returned, the item will post and the account will be charged an overdraft fee.

NOTE:

- A \$5 fee will be charged for each Savings withdrawal over 3 per month.
- A \$2 fee will be charged for each automatic overdraft transfer from Savings.

You may check how many Reg. D transactions you have made during the current month by contacting a MSR.