

Tips to Prevent Excessive Withdrawals Under Regulation D

- Opt for direct deposit of your payroll into your checking account.
- Enjoy unlimited withdrawals from your checking account.
- Ensure that direct ACH and pre-authorized debits are deducted from your checking account rather than your savings account.
- Consolidate multiple small transfers into one larger transfer from your savings account.
- Utilize the unlimited allowances for withdrawals and transfers as outlined in the chart*.
- Explore the option of applying for an Ozark Federal Credit Union Line of Credit, exempt from Reg. D transfers.
- Consider applying for an Ozark Federal Credit Union Debit Card, granting you unlimited withdrawals and transfers at ATMs.

* *Additional fees may apply. See the Ozark FCU Fee Schedule for additional fees. Foreign ATMs may charge a transfer fee even if money is not withdrawn.



Understanding Regulation D

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What is Regulation D?

Reserve Requirements for Depository Institutions (12 C.F.R. 204, Regulation D) is a Federal Reserve Board regulation that limits the number of pre-authorized withdrawals and transfers from savings or money market accounts.

When was Regulation D passed?

This six-withdrawal limitation is part of the Federal Reserve's Regulation D requirements, commonly called "Reg D." Reg. D was enacted as part of the Securities Act of 1933 in the aftermath of the 1929 stock market crash and was part of the New Deal.

Transaction Accounts

Regulation D defines transaction accounts as those that allow unlimited third-party transfers and do not impose early withdrawal penalties [§204.2(e)]. **Share draft accounts, checking accounts, demand deposit accounts, automatic transfer service accounts, and telephone transfer accounts are all transaction accounts.**

Any time a deposit or savings account fails to meet the Regulation D definitions, it will be classified as a transaction account and be subject to reserve.

Necessary limitations on transfers or withdrawals from credit union savings accounts are implemented to prevent their classification as transaction accounts.

*Unlimited withdrawals permitted when:

- Made in person
- Made by telephone, fax, or PC if a check payable to the member is mailed to the member
- Made using an ATM

*Unlimited transfers permitted when:

- Made between the accounts of the same member and made in person or at an ATM
- Made by the member to pay a loan the member has at the credit union

*Up to six withdrawals 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 pre-authorized, automatic, or bill-payment arrangements for transfer to the member's other account(s) at the Credit Union or to a third party

Automatic transfers from savings to checking for overdraft protection DO COUNT as a Reg. D transaction. The automatic transfer will NOT occur if the Reg. D transaction limitations have been met. That means the item will be returned for non-sufficient funds and incur an NSF fee per item.