

Regulation D (aka Reg D) and why it's important to you.

To control the supply of money available in the US and financial institutions' reserve requirements, the Federal Reserve Board created Reg D and account classifications. This is a Federal Regulation that affects all financial institutions.

How does the Regulation affect you?

Reg D regulates all types of savings accounts including primary share savings, special savings, money market savings, holiday, and vacation savings accounts. The basic rule states that a depositor may make no more than six "covered" transfers or withdrawals **from** the account in a calendar month. There is no limit on "non-covered" transfers or withdrawals.

What are "covered" transfers?

No more than six (6) covered transfers or withdrawals are allowed per month. Covered transactions include:

- Pre-authorized transfers (either to another account or to a UECU account)
- Online transfers through *Advantages Online™* (UECU's home banking system)
- Telephone transfers (through *PAL™* or over the phone with Member Services)
- ACH debits
- Checks written on a Money Market Savings account
- Withdrawal checks payable to a 3rd party
- Automatic transfers to cover items in your checking account (checks, drafts, debit cards, ATM withdrawals, or similar items)

What are "non-covered" transfers?

The following are NOT limited by the Regulation:

- Withdrawal checks payable to you
- One-time or automatic transfers to loans and/or VISA® (payments) at UECU
- Transfers from a UECU overdraft Personal Line of Credit (loan) or Visa® credit card to cover items in your checking account
- Transfers made to another account that are done in person, by mail (signed), or at an ATM

What happens if I reach the limit of 6 and a checking account transaction triggers a request for an overdraft protection transfer from savings?

Once the limit is met, all "covered" transactions will be rejected (including savings overdraft protection). Your checking account transaction will be subject to the Credit Union's Non-Sufficient Funds (NSF) fee

and possibly the other institution's fee (properly authorized debit card transactions are guaranteed and may be processed with the applicable NSF fee). Members who qualify for *Advantages Overdraft Defense™* for their checking account and have not opted out may have their item paid within the program's limits and the *Advantages Overdraft Defense™* fee would apply. This means that even if you have the funds available in your savings (deposit) account, once the withdrawal limit of 6 is reached no more covered withdrawals can be made until the next month.

What can I do to avoid fees?

- You can make "non-covered" transfers once your regulation limit of 6 covered transactions has been met. To avoid fees, this must be done prior to an item being returned or an *Advantages Overdraft Defense™* item being paid and fees assessed
- You can sign into *Advantages Online™* where you are "warned" when your limit is near 6 when attempting to transfer funds
- You can apply online for a Personal Line of Credit (PLOC) or a VISA® Power Card™ which may be used for overdraft protection for a checking account.

If you have additional questions please call Member Services at 800-288-6423.