

What is Regulation D, or Reg D?

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

How does Reg D apply to me?

Reg D regulates savings accounts (including Special Shares) and Money Market Deposit Accounts. The basic rule states that a depositor may make no more than six "restricted" transfers or withdrawals from the account in a calendar month or statement cycle. There is no limit on "non-restricted" transfers or withdrawals. Reg D does not affect DDA accounts (share draft) nor does it limit the number of deposits that can be made to accounts.

What are "restricted" and "non-restricted" transactions?

Restricted (Counts toward the Reg D limit of 6)	Non-Restricted (Does not count toward the Reg D limit of 6)
Preauthorized transfer (either to another account or to SFCU)	Transfers for loan payments at SFCU
Automatic Transfer (incl. overdraft transfer from a savings account) Home\$Banking Transfer Telephone Transfer (either Money\$Line or Call Center) Check to a third party Draft to a third party Debit card to a third party Similar order made to a third party	Transfers or withdrawals made to another of your own accounts or made payable to you if made by: - Mail - Messenger - ATM - In Person

What happens if I reach the limit of 6?

If you are using this account for overdraft protection on your checking account, the transaction will be rejected, the check returned as NSF (non-sufficient funds) and you may be subject to the \$35 NSF fee plus any fees charged by the payee of your check. Even if you have the funds available in your deposit account, once the withdrawal limit of 6 is reached, no more of the restricted withdrawals can be made until the next month.

Tips to help you manage your savings accounts and avoid Regulation D limits:

- Plan ahead and make one large transfer instead of several small transfers. Each regulated transaction counts as one transaction, no matter what the amount.
- Balance your checking account on a regular basis. This will help limit the number of overdraft transfers from your savings account, which counts towards the number of transactions allowed.
- Set automatic ACH withdrawals from merchants to come out of your checking account instead of your savings account since checking transactions are not subject to the regulation, or consider Sunstate's Online Bill Payer.