

Regulation D FAQ'S



What is Regulation D (Reg D)?

Reg D is a federal regulation that limits the number and type of withdrawals without a signature from Savings accounts to six (6) per month.

What is the purpose of Reg D?

The purpose of Reg D is to ensure financial institutions maintain adequate reserves for the funds they have on deposit, and ensure sufficient funds are available to meet consumer's withdrawal demands.

What types of transactions count towards the 6 per month Reg D limit?

- *Transfers from savings accounts made using Online/Mobile Banking
- *Transfers from savings accounts made over the telephone or by fax
- *Overdraft transfers (Overdraft Protection from savings accounts to automatically cover insufficient funds in another account)
- *Automatically scheduled or recurring transfers from savings (commonly known as ACH or EFT transactions)
- *Preauthorized transfers from savings accounts set up at the Credit Union and/or set up thru Online/Mobile Banking (unless it is to an IMKCFCU loan or IMKCFCU Visa)

What transactions are NOT counted as a Reg D?

- *ATM transfers
- *Transfers made to your IMKCFCU loans or IMKCFCU Visa
- *Transfers made in person at the Credit Union (Main Branch or Super One Branch)
- *Transfers sent in by mail with an original signature
- *IMKCFCU Online Bill Pay (which uses funds from your checking account)
- *Overdraft Protection that is set up to come from a Line of Credit
- *Overdraft Protection that is set up through our Courtesy Pay Program
- *Any transfers (including ACH/EFT transactions) made out of a checking account

How can I help to ensure that I do not exceed my Reg D limit?

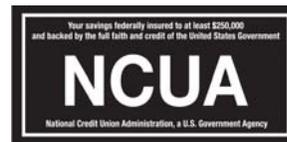
- *Set up all ACH debits/withdrawals to come out of your checking account and not your savings account.
- *When making transfers out of your savings using Online/Mobile banking, make one large transfer instead of several small ones. (This would use one Reg D transfer instead of several)
- *Balance your checking account often. This will help limit the number of times your Overdraft Protection needs to be used.
- *If qualified, you may be able to establish a Line of Credit as a source of Overdraft Protection or opt in to our Courtesy Pay Program to cover overdrafts if your savings account Reg D limit is reached (See a loan officer for details on opening up a Line of Credit).

What are my options once I have reached my Reg D limit?

You may complete transfers in person with a teller, by mail with original signature, or at an ATM machine.

When does the Reg D counter reset?

The Reg D counter resets on the first day of each calendar month.



Jane's Reg D Nightmare

Jane Doe is going out of town on vacation to visit family for a week but she needs to pay her bills before she leaves. She writes out 10 checks to pay her bills and mails them on her way out of town. Halfway to her destination she realizes she forgot to stop at the Credit Union to deposit her payroll check. She knows she doesn't have enough in her checking account but there is plenty of money in her savings to cover all the checks. Since the Credit Union only charges a small fee per check for Overdraft Protection from her savings, she thinks she will be fine and continues to enjoy her much needed vacation with her family. When Jane returns home a week later, however, her mail box has four Non-Sufficient Funds (NSF) letters in it from the Credit Union. Jane incurred 4 NSF fees as well as NSF fees from the merchants her checks were made payable to!

Here's what happened to Jane:

All 10 of the checks she wrote tried to clear her account while she was gone on vacation. There was not enough money in the checking account to cover the first check so her Overdraft Protection from her savings account kicked in. This resulted in a Reg D count of 1. The same thing happened when the next 5 checks cleared which brought her Reg D count to 6. (Remember, 6 is the maximum you are allowed per month). When check number 7 tried to clear her account, her Overdraft Protection from savings could no longer be used so the check was returned NSF and her account was charged an NSF fee. This also happened to the next 3 checks that tried to clear which resulted in a total of 4 NSF fees.

Here's what Jane should have done when she realized that she forgot to make the deposit:

1. Called the Credit Union or went Online (www.pcbranch.com) and made 1 transfer from her savings account to cover the total amount of all of the checks. This would have resulted in only 1 Reg D count. **(OR)**
2. Found a participating ATM machine* and transferred the total amount of the checks from her savings account to her checking account. This would **not** have resulted in a Reg D count.

**See below*

***How to find nearly 30,000 convenient Co-op Network ATM locations**

1. Visit www.co-opnetwork.org
2. Text a street address or ZIP code or "City State" to 91989 (my coop)
3. Download the Mobile ATM locator app from the iPhone or Android App Store.
4. Call 1-888-SITE-CO-OP (888-748-3266)

To learn more about Regulation D and how it affects you, go to www.federalreserve.gov