



CBI Federal Credit Union

Regulation D (Reg D)

What is Regulation D?

Regulation D (“Reg D”) is a federal law that limits the number of transfers and withdrawals that you can make from an interest-bearing account (Regular Savings, Money Market, or Club Account) to a Checking Account or to a third party. According to Regulation D, you may not make more than six pre-authorized, automated or telephone transfers/withdrawals from these accounts each month. The regulation was established to prevent consumers from using interest-bearing account as transaction or checking accounts. Fees are typically applied to such transfers and withdrawals in order to discourage consumers from using interest bearing accounts as transaction accounts.

Reg D

Savings accounts, which also include Term Share Certificate and/or Money Market Accounts, are not classified as “transaction” accounts and have limited transaction allowances. Regulation D allows for 6 transfers/withdrawals per statement cycle or month.

Which Transactions are affected by Regulation D limitations and which one are unlimited?

Unlimited Transfers and Withdrawals	Limited Transfers and Withdrawals
In person (at a branch or shared branch)	Preauthorized Transactions
At a ATM	Automatic transfers (scheduled ACH withdrawals)
By mail	Telephone (including Automated Telephone Banking)
Unlimited deposits/transfers can be made into a savings account	Point of Sale transactions with an debit card
Transfers to another account of the same owner at the same financial institution when made	Any other similar order payable to third parties
	Online Banking or Virtual Branch
Withdrawals made by telephone only when: The transaction results in a check mailed to that member	Automatic Overdraft Transfers
	Checks
	Fax

Question: I have more than one deposit account. Am I limited to a total of six transactions for all my deposit accounts combined?

Answer: you are allowed up to six Regulation D transactions per month for EACH of your deposit accounts. Example: If you have two savings accounts, each savings account can have up to six transactions per month.

Question: What happens if I go over the limit?

Answer: The credit union can return this item which you could incur a fee.

Question: What happens if I continually exceed the transaction limit?

Answer: CBI FCU is required to limit transactions within savings accounts. Consecutive overuse of a savings account may result in limitations to withdrawal/transfer capability from the savings account, automatic conversion to a transaction account or account closure.