

WHAT IS REG D AND HOW DOES IT EFFECTS ME?

Regulation D or Reg. D is a government regulation, which among other things defines transaction accounts and non-transaction accounts. Transaction accounts are allowed an unlimited amount of transactions on the account (i.e. checking (share draft) accounts). Reg. D places limitations on non-transaction accounts (i.e. savings (share) accounts, money market accounts, telephone transfers etc.).

The section of Reg. D causing the most confusion is 12 CFR § 204.2(d)(2), "a member is limited to six preauthorized or automatic withdrawals, telephone transfers, or transfers initiated by personal computer per month on non-transaction accounts."

COAFCU accounts with different limits: Money Market = **3 per month**, S.A.F.E. = **6 per month**

Transactions counted against Reg. D limits

- Transfers from share account* using Internet
- Transfers from share account* using Audio Response
- Transfers from share account* made by calling an Member Service Representative

Transactions from draft accounts that count against Reg. D limits

- Any transaction which overdraws your share draft account causing us to use overdraft protection transfers from your share account

Transactions not counted against Reg. D limits

- Transaction by mail
- Transaction at an ATM machine
- Transaction at any of our Branch Offices
- Any deposit at any time

The following are some examples of Reg. D and non-Reg. D Transactions.

Reg. D Transaction

Internet Transfer from Shares, Club or Money Market

ACH (Automated Clearing House) debit from your share account to make a payment to someone other than COAFCU

Transfer from your share account per a phone call made to a member service representative

Debit Card transaction which overdraws your share draft account causing us to transfer funds from your share account

Clearing a check which overdraws your share draft account causing us to transfer funds from your share account

Internet or Audio Response transaction to transfer funds from shares to share draft

Internet or Audio Response transaction to transfer funds from shares to your loan or other accounts at the COAFCU

Not a Reg. D Transaction

Transfer from Shares, Club or Money Market requested by you **in writing** and **mailed** to the credit union

Automatic (payroll) transfer from your share account to any share, share draft or loan account at COAFCU **arranged in advance to occur on a regular basis**

Withdrawal by check mailed to you

Transfer from your share account made **in person**

Clearing a check from your **share draft** account **ATM** transaction to

transfer funds from shares to share draft

Internet or Audio Response transaction to transfer funds **from your share draft** account to your loan or other accounts at COAFCU

A Reg. D transaction is a withdrawal from a savings account that you could complete at home.

How can I avoid exceeding Reg. D limits?

- Recurring electronic payments can be made from your checking account, which is a Transactional account and not subject to Reg. D limitations.
- Keep sufficient funds in your share draft account to avoid overdraft transfers.
- Open an overdraft line of credit to protect yourself instead of using overdraft transfers.
- Make your transfers at the Credit Union or COOP ATMs, Credit Union Office or at a Shared Branching Office.

Share account = savings

Share Draft = checking

7-19-2016