

Regulation D | Overview

In 2015, the Federal Reserve Board issued Regulation D, a regulation for savings accounts (and money market accounts) that all financial institutions are required to implement and adhere to. The regulation was established to prevent consumers from using their savings or money market accounts as transactional or checking accounts. The basic rule limits the number of electronic transfers and/or withdrawals from a savings or money market account, to a combined maximum of six (6) per statement cycle.

We want to remind you that we will assess a fee of \$5 for each additional transfer and/or withdrawal that exceeds the maximum allowed of 6. We are reminding you of this fee now, because we are aware that you may not been charged this fee previously due to a system error.

Types of transactions that count toward the REG D maximum:

There are certain types of transfer and withdrawals from your Savings or Money Market account that count toward the maximum of six transactions. These are as follows:

- Transfers made online to other 1st Choice accounts or third parties
- Transfers made by phone to other 1st Choice accounts or third parties
- ACH payments or transfers made to other accounts or third parties
- Debit card transactions that trigger overdrafts from your Savings or Money Market account when funds in the Checking account are insufficient

Types of transactions that are unlimited and don't count towards the REG D maximum:

There are allowable transactions that are unlimited and will not count toward the maximum of six transactions. They are as follows:

- In person branch requests for transfers and withdrawals
- Transfers and withdrawals made via an ATM
- Transfers to pay for a 1st Choice Credit Union loan

Q. How can I avoid reaching the transfer/withdrawal limit of six and being assessed a fee?

A. There are several ways to avoid the excessive withdrawal fee:

- If you haven't already, open a Checking account there is no monthly fee (with direct deposit of \$200 or more)
- Consider performing transfers and withdrawals in person at one of our branches or ATMs
- Make sure any recurring payments or automatic payments come from your Checking account not your Savings account
- Make one large transfer from your Saving versus several smaller transactions

Q. How will I know if I exceed the transfer/withdrawal limitations for my Savings and/or Money Market account?

A. Reg D requires all financial institutions to implement steps to prevent excessive transactions from occurring in non- transactional accounts (i.e. Savings and Money Market). The excessive withdrawal fee is charged to prevent excessive withdrawals in non-transaction account. You can monitor your transaction counts using online banking/mobile banking OR visit/call our branch to inquire.

Q. Do other Financial Institutions assess a fess for excessive transfers or withdrawals from their Savings and Money Markets

A. Yes, to prevent consumers from using their Savings and Money Market accounts as a transactional account, financial institutions assess a fee after the first 6 transactions. Below is a market comparison among large and small banks and credit unions that summarizes the fees they assess for transfers and withdrawals in excess of the limited 6 permitted by Reg D.

Excessive Fee Comparison				
Financial Institution	 Bank of America	 GEORGIA'S OWN CREDIT UNION	 CUA Credit Union of Atlanta	 Delta Community CREDIT UNION
Fee for each transfer or withdrawal after the 6 allowed	\$10	\$5 for Savings \$10 for Money Market Savings	\$15	\$ 20 Overdraft/ Excessive Transfer