



Regulation D Fee Notice

Circle Federal Credit Union | 507 E Main St. Niles, MI 49120 | 269.684.6005

What is Regulation D?

Federal Regulation D (Reg D) is a regulation that limits the number of transfers and withdrawals that you can make from an interest bearing account (regular savings, sub savings, premier savings) to another account or to a third party. According to Regulation D, you cannot make more than six combined pre-authorized, automated, or telephone transfers/withdrawals from these accounts each month. The regulation was established to prevent consumers from using interest bearing accounts 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. Circle Federal Credit Union began implementing a monthly fee of \$5.00 beginning June 2017, when you exceed these transfer/withdrawal limitations in any given month.

The following transactions are subject to Reg D limitations:

- Transfers/withdrawals from a savings account using Home/Internet Banking
- Transfers/withdrawals from a savings account using CU*Talk telephone banking
- Overdraft transfers (made automatically to cover nonsufficient funds in other accounts)
- Transfers/withdrawals from a savings account requested via telephone or e-mail
- Pre-authorized, automatic, scheduled, or recurring transfers/withdrawals from a savings account

What transactions are NOT affected by Regulation D?

There are no limits or fees associated with the following types of transactions:

- Transfers/withdrawals from a savings account made at an ATM
- Transfers/withdrawals from a savings account to make payments to your loan
- Transfers/withdrawals from a savings account made in person at a branch
- Transfers/withdrawals from a savings account sent in by mail with an original signature
- Transfers from your checking account to savings account

Regulation D Frequently Asked Questions

Q: If a savings account used for Overdraft Protection has reached the Reg D limit, will overdraft requests be honored?

A: Yes.

Q: I have authorized a merchant to automatically withdraw payments from my savings account. Are these electronic payments subject to Reg D limitations?

A: Yes. These electronic payments (which you may know as “ACH” or “EFT” transactions) are included in the Reg D limitations. Transfer and withdrawal attempts beyond your monthly limit will be honored if the funds are available.

Q: How can I Avoid Reg D Fees and Limitations?

A1: Send your direct deposit to your checking account - not to your savings, sub-savings, or premier savings. You can transfer money from your checking account to your savings account without limits or fees because checking accounts are not subject to Reg D.

A2: If you think that you will need to transfer money from your savings account to cover checking account transactions, plan ahead and make one large transfer instead of several small transfers. *Note: Each transfer (made by phone or Home Banking) counts as one transaction, regardless of the dollar amount transferred.*

A3: You should not authorize merchants to draft money from your savings account. Use your checking account for these transfers. Automatic transfers from merchants should come out of your checking account instead of your savings account since checking accounts are not subject to Reg D limitations.

A4: Avoid Reg D fees by transferring funds from savings accounts to your checking account by using an ATM; by requesting the transfer in person at a branch; or by mailing your transfer request with a signature to the following address: Circle Federal Credit Union, 507 E Main St, Niles, MI 49120

A5: Overdraft Lines-of-Credit are not affected by Reg D so unlimited overdrafts may take place each month according to the interest rate and terms disclosed in your loan agreement. Contact a Member Service Representative to see if you qualify for a line of credit loan.

A6: Balance your checking account on a regular basis. This will help limit the number of overdraft transfers from your savings account, which are subject to Reg D limitations.

Please contact a Member Service Representative with any questions.