

Regulation D (Reg D) Frequently Asked Questions (FAQs)

Q: What is Regulation D (Reg D)?

A: Reg D is a Federal Reserve Board regulation that limits the number of certain types of withdrawals from non-transactional accounts, such as a Savings or Money Market Account, to six per month (per account).

Q: What is the purpose of Reg D?

A: The purpose of Reg D is to regulate the level of reserves a financial institution maintains. The required reserve amount for each financial institution is based on the balances it has in its transactional accounts, such as Checking Accounts.

Q: Are other financial institutions required to comply with Reg D?

A: Yes. All financial institutions are required to take action to prevent excessive withdrawals from non-transactional accounts in one of two ways. They can automatically deny withdrawals after the sixth one until the count resets at the start of a new month, which would cause items to be returned as unpaid. Or, they can monitor the account and notify consumers when they exceed the limit. This action requires that the financial institution convert the Savings or Money Market Account to a transactional account if the consumer consistently exceeds the withdrawal limit.

Delta Community has chosen the latter option to save members the embarrassment of having items returned as unpaid. Notifications are sent via letters at the end of month to inform members when they have exceeded the Reg D overdraft limit.

Q: Will I see any additional fees in connection with Reg D?

A: Beginning July 1, 2012, Delta Community will assess a \$20.00 Reg D fee at the end of each month in which a Savings or Money Market Account has over six (6) check card overdraft transfers. This will be in addition to fees for online transfers, automated (ACH) transfers and checks that exceed the six (6) allowed for Reg D withdrawals within a calendar month we are already charging.

Q: Why is the fee \$20 as opposed to another (lesser) amount?

A: We've always tried to maintain a fair fee structure that continues to be lower than those at other financial institutions. In this case, the impending \$20 fee for over the limit debit card overdrafts from Savings or Money Market Accounts is consistent with the Reg D fee for automated (ACH) and draft transactions. However, it will only be charged once for overdrafts that exceed the limit within a one-month time frame opposed to the per item fee currently assessed for the ACH and draft transaction.

Q: Can I set my account up to decline transactions after the Reg D limit of 6 has been reached?

A: To avoid the inconvenience or possible embarrassment of having transactions failed at the point of purchase, especially in the case of urgent or emergency circumstances, we do not decline transactions after the Reg D limit has been reached. However, we do encourage members to utilize ATM or in branch teller transfer transactions to avoid reaching the Reg D transfer limit.

Q: Why do other institutions deny Reg D transactions after 6 but Delta Community allow them and charge a fee?

A: To avoid the inconvenience or possible embarrassment of having transactions failed at the point of purchase, especially in the case of urgent or emergency circumstances, we do not decline transactions after the Reg D limit has been reached.

The impending fee helps to ensure that our member's accounts are in compliance with government rules that monitor Reg D. It is important that we adhere to the guidelines required as a result of government rules. We believe you'll find that our fee and rate structure remains lower than those at other financial institutions

Q: When does the Reg D counter reset?

A: The Reg D counter resets at the beginning of each month, bringing the debit card counter and the ACH/Draft counter back to zero.

Q: How can I make a transfer if I have exceeded Reg D?

A: To make a transfer after Reg D has been exceeded, you can:

- Transfer the money at an ATM
- Complete the transaction in person with a teller

Q: What types of transactions are counted toward the 6 (six) transfers permitted each month?

A: The types of transactions that count toward the 6 (six) transfers permitted each month under Reg D include:

- ACH transfers from a Savings or Money Market Account to another Financial Institution or third party for payment by means of a preauthorized or automatic transfer, telephone agreement, order or instruction (e.g. Audioline

or Online Banking, etc.).

- Withdrawal checks issued from a Savings or Money Market Account via Audioline/Online Banking when made payable to a third party
- Audioline/Online Banking transfers from a Savings or Money Market Account to any other Delta Community Account
- Automatic rollovers from a Savings or Money Market Account to cover checks, ACH, or EFT (overdraft protection)
- Checking Account debit card transactions which overdraft from a Savings or Money Market Account when funds in the Checking Account are insufficient.
- Recurring scheduled transfers from a Savings or Money Market Account to any other Delta Community Account.

Q: What types of transactions are not counted toward the 6 (six) transfers permitted each month?

A: The types of transactions that **are not counted** toward the 6 (six) transfers permitted each month under Reg D include:

- Withdrawal checks issued via Audioline/Online Banking when made payable to the member and mailed to the member
- Any transfer for the purpose of repaying a Delta Community CU loan
- Transfers among accounts of the same person when made by mail, ATM or in person
- Check Card transactions that don't trigger overdrafts from Savings or Money Market Accounts

Q: Why was I charged a Reg D fee when I had plenty of money available in my Savings Account as overdraft protection?

A: In accordance with Reg D, a depositor is permitted or authorized to make no more than six transfers and withdrawals, or a combination of such transfers and withdrawals, per calendar month from a Savings or Money Market Account. Beginning July 1, 2012, a \$20.00 Reg D fee will be assessed at the end of each month for overdraft transfers from Savings or Money Market Accounts that exceed the limit of six (6) as a result of a debit card transaction.

Q: If I have two Savings Accounts am I limited to 6 transactions for each account or 6 in total for both?

A: Each month you are permitted six transfers from each Savings Account.

Q: Are Reg D transactions on other Savings Accounts counted toward the Reg D count for the Money Market Accounts?

A: No, Money Market Account transfers are counted separately.

Q: Do ATM transfers from Savings and Money Market Accounts count toward Reg D?

A: No, ATM transfers will not count toward Reg D.