

REGULATION D (“REG D”) FAQs



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) at Seattle Metropolitan Credit Union DBA Seattle Credit Union (hereafter “Seattle Credit Union”) 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 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.

Reg D Fees

Savings accounts, which also include Certificates and 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. The fee for each transfer/withdrawal above six within that timeframe is \$20/transaction.

Q: Which transactions are affected by Regulation D limitations and which ones are unlimited?

UNLIMITED Transfers and Withdrawals	LIMITED Transfers and Withdrawals
<ul style="list-style-type: none"> In person (at a branch or shared branching service center/kiosk) At an ATM By mail or messenger Unlimited deposits/transfers can be made into a savings account 	<ul style="list-style-type: none"> Preauthorized Transactions Automatic transfers (scheduled ACH withdrawals) Telephone (including Automated Telephone Banking) Fax Online Banking or Mobile Banking Checks Automatic Overdraft Transfers Point of Sale transactions with an ATM or debit card Any other similar order payable to third parties
Transfers to another account of the same owner at the same financial institution when made: <ul style="list-style-type: none"> For loan payments 	
Withdrawals made by telephone only when: <ul style="list-style-type: none"> The transaction results in a check mailed to that member. 	

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

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

Q: What happens if I go over the limit?

A: Seattle Credit Union will charge an Excess Transaction Fee of \$20 on all transfers exceeding the six (6) monthly permitted by Reg D.

Q: How can I avoid being charged the Reg D fee?

- Open a checking account if you do not have one with Seattle Credit Union. Seattle Credit Union provides various checking accounts tailored to your needs.
- Use your checking account for the majority of your withdrawals and debits.
- Keep more funds in your checking account.
- Transfer excess funds from your checking account to your deposit account after you verify it is not needed.
- Locate a Seattle Credit Union branch, Shared Branch, Free ATM, or 7-Eleven Shared Branching Kiosk near you.

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

A: Seattle Credit Union 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.

Contact Us

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