SuffolkFederal
Better Banking For Long Island

REGULATION D RESERVE REQUIREMENTS

Regulation D imposes uniform reserve requirements on all depository institutions with transaction accounts or non-personal time deposits. Also, the regulation defines such deposits and requires reports of deposits to the Federal Reserve. The reserve requirements are based on various deposit account classifications and are important to consumers because they define transaction, savings and time deposit account categories.

Regulation D of the Federal Reserve System states that regular Share Savings Account members can make a total of six (6) transactions on their Share Savings Account each month. These transactions include pre-authorized or automatic withdrawals, telephone agreements, transfer to other members or to another account within the credit union. The credit union is required to monitor Share Savings Accounts to assure these types of transactions do not violate the Regulation D requirements.

Guide to Limited and Unlimited Transactions on Share Accounts

Unlimited Transactions

- In-person transactions
- Any deposit transactions
- Written mail requests
- Written night-drop requests
- ATM cash withdrawals

Limited Transactions

- Automated Internal Transfer, except loan payments
- Automatic withdrawal or overdraft (ex.: insurance)
- Member Telephone Service transfer, except loan payments*
- Point-of-sale (POS) using ATM card overdraft for purchases (ex.: gas, convenience stores, etc.)
- Transfer requested by phone, except loan payments*
- Electronic Fund Transfer or overdraft
- Overdraft transfer to cover a check

* For a loan payment to be exempt, it must be on the same member number or for a loan on which the requestor is a co-maker.

Tips on Managing Your Transfers

1. Do not authorize anyone to make automatic draft withdrawals from your Share account. Instead, set up the withdrawals from your Checking account, which can have unlimited transfers.

2. Do not set up your payroll funds to be Direct Deposited to your Share account. Overdrafting from your Share account to pay checks you have written is included in the monthly limit of six (6) transfers. Have your pay deposited to your Checking account and, if you wish to make a savings deposit each payday, ask us about our automatic transfer.

3. Balance your Checking account regularly. This helps limit the number of Share transfers to pay checks that would otherwise be NSF (insufficient funds), and will save you money on transfer fees.

When trying to determine if a specific transaction is subject to the regulation limit, look first to see if it meets one of the specific conditions. If it doesn't, apply the general rule that if a member didn't have to come into the credit union, or if a member used an electric means to conduct the transaction, it is most likely subject to the limits specified by the regulation.

Regulation D Restrictions

As a general rule, transactions performed electronically or with the use or aid of an electronic device (including the telephone, but not ATMs) are subject to limitations. Transactions performed in person at the credit union by the member are not subject to any limitations, even if the payment is directed to a third party.

The following withdrawals and transfers from savings accounts (Regular Shares, SEP/IRA, Money Market, Certificates, Holiday and Vacation Club accounts) **are limited to six per month:**

ACH debits
Overdraft transfers (to cover deficit in Checking because of check clearings, ACH debits, etc.)

Payments to third parties initiated by e-mail
Payments to third parties initiated by fax
Payments to third parties initiated by messenger
Payments to third parties initiated by telephone

Transfers through Bill Paying
Transfer request by fax
Transfers through Home Banking to any other Savings or Checking account
Transfers by telephone (through MTS or by a representative, to any other Savings or Checking account)
Transfers or payments to third parties made by check
Transfers or payments to third parties made by debit card
Transfers or payments to third parties made by draft

Withdrawals through Bill Paying
Withdrawal request by fax
Withdrawals through Home Banking
Withdrawals to third parties initiated by e-mail

The following are not restricted:

All Member transactions at a teller window
All transfers to a loan, through Home Banking, MTS, telephone, mail, e-mail, etc.
Teller check payable to member or joint owner withdrawn through any means

Transfers made at an ATM machine to other accounts of the member
Transfers initiated through the night drop or quick drop
Transfers from a checking account to a savings account
Transfers made in person to other accounts
Transfers initiated by letter mailed to the credit union
Transfers initiated by messenger

Withdrawals made at an ATM machine
Withdrawals initiated through the night drop or quick drop
Withdrawals made in person
Withdrawals initiated by letter mailed to the credit union
Withdrawals initiated by messenger

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