The Federal Reserve Board’s Regulation D limits withdrawals or outgoing transfers from a savings or money market account. No more than six such transactions per statement period may be made from an account by various methods, which include checks, debit card payments, and automatic transactions such as automated clearing house transfers or electronic bill payment. In general, when members reach this limit, credit unions must notify members that a transaction exceeds the limit and must freeze, close or reclassify accounts that do so repeatedly.

While flexibility in the application of the federal regulation is sought by regulators and trade groups, member education may help to minimize account disruption.

The following are sample Questions and Answers to guide members, their expectations and practices:

Q. 1 I made a transfer from savings in online banking and received a notice that I reached my transfer limit under Regulation D. Why does this limit exist?

A. 1 These limits are not unique to your credit union account. All financial institutions are subject to Regulation D. The rule relates to federal monetary policy and is designed to help regulate the level of reserves a credit union and others must maintain. Therefore, the rule limits the number and type of withdrawals you can make from a savings account every month. You may not make more than 6 withdrawals or transfers from a savings account to another account, including online banking transfers, transfers made over the phone, and ACH withdrawals.

Q. 2 What transactions are limited to no more than 6 per month?

A. 2 With the convenience of transferring funds online or through a mobile app from a savings account to a checking account, making six transfers can add up quickly. The following transactions are limited:

- Online Banking transfers
- Automatic transfers to another account at the credit union or to a person or a withdrawal with a payment service
- ACH withdrawals
- Phone transfers
- Outgoing wire transfers
- Withdrawals by official bank check
- Withdrawals or transfers made with a savings deposit account acting as overdraft protection for a checking account

Q. 3 Are there exceptions to the rule so I can avoid limitations?

A. 3 Regulation D does not limit deposits, ATM transactions (withdrawals or transfers), transactions (withdrawals or transfers) made in person, or having a check mailed to you.
Q. 4 How can I avoid exceeding the limits?

A. 4 It is simple.

- Use your checking account which is not subject to the Regulation D limits. You can make unlimited transactions from your checking account. You will need your 14-digit checking account number to redirect your direct deposit or ACH withdrawals and payments. Contact us at the credit union if you do not know your 14-digit checking account number.
- You can also make one large transfer from your savings instead of multiple smaller transfers.
- Make transfers count; do fewer transfers with larger sums of money.
- Link any automatic transfers, such as bill payments, to your checking account instead of savings. Checking accounts do not have limits on the number of withdrawals.
- If you reach the transaction limit and need to make another transfer or withdrawal from your savings account, do it at an ATM or a credit union.
- If your checking account has overdraft protection linked to a savings account, try to avoid overdrafts, which would be counted under the six-transaction Regulation D limit.
- Set up low-balance alerts on your checking account and curb your spending if your balance edges to zero to avoid triggering automatic transfers from your savings to checking account.

Q. 5 What can I do if I exceed the federal transfer limits:

A. 5 If you reached the limit for transfers, then you can still withdraw money at an ATM or in person. Timing is important as the transaction count will reset at the beginning of the following month.