

Things you need to know about transaction limitations

Are you familiar with all the Reg D changes that may affect your share and money market accounts?

Why are transactions limited?

A federal law, known as Regulation D, requires that all financial institutions, including Beacon Credit Union, limit certain withdrawals from share/savings accounts. Members are allowed to conduct up to six withdrawals from a share account per month. Withdrawals of more than six per month force Beacon Credit Union, by law, to take action on your account.

What types of accounts are limited by this law?

Regular share accounts and money market accounts are subject to this law. Your checking account is not limited by this law, and you can make unlimited withdrawals from your checking account.

Which transactions count toward the six allowed?

The following transactions COMBINED and in TOTAL cannot exceed six per month (from savings or money market accounts):

- Checks or drafts made payable to third parties;
- Debit Card Purchases;
- Preauthorized or Automatic Transfers to a Third Party (including ACH transfers)
- Transfers initiated through online banking;
- Transfers by telephone (including calls to member service representatives or automated audio response programs);



- Transfer to other Accounts at the Credit Union;
- Transfer to Accounts at other Financial Institutions;
- Faxed Request for Transfers;
- Text Message Request for Transfers.

This law does not limit the number to deposits into a share or savings account.

Which withdrawals are not subject to the law?

The following types of withdrawals or transfers are not limited by the law:

- Withdrawals made in person at a credit union branch;
- Withdrawals made at an Automated Teller Machine (ATM)

- Requests for Withdrawals sent by Mail to the Credit Union;
- Requests for Withdrawals sent by Messenger to the Credit Union - Telephone Requests for Withdrawals (if a Check is Mailed to the Member);
- Payments to a Loan Account held at the same Credit Union.

What about Loan Payments that come out of my Share Account?

If the Loan is at the same financial institution as the Savings Account, payments on the Loan will not count toward the six-transaction limit. For example, if your Mortgage Payment is automatically deducted from your Savings Account each month, it would not count toward the six-transaction limit if both the Mortgage and the Savings Account are at the same financial institution. However, a transfer from your Savings Account to your Checking Account is covered by the law and would count towards the six-transaction limit.

What happens if I go over the six transaction limit?

Beacon Credit Union is required by law to take action on the account in order to prevent you from repeatedly exceeding the six-transaction limitation. These actions may include, but not be limited to:

- Sending letters or notices to you informing you that you have reached six transaction for the month;
- Rejecting transactions in excess of the six allowed transactions;
- Charging fees for transactions in excess of the six, if they are allowed;
- Limiting your ability to make transactions to third parties from the account (for example, debit card or online bill payment transactions); and
- Closing the account if the transaction threshold is repeatedly surpassed.

How can I conduct transactions to avoid exceeding the limit?

- Plan your budget and transactions in order to make one or two large withdrawals or transfers to cover your bills per month
- Consider using your checking accounts to pay regular bills
- Choose transactions that are not limited by the law (for example, ATM withdrawals or in-person withdrawals).

Is this a new law?

No, limitations on withdrawals from share accounts have been in place since 1982. In 2009, the Federal Reserve Board relaxed the law to allow up to six transactions made via check, draft or debit card to be made from your savings account.

Previously, only three transactions made via check, draft or debit card were allowed to be among the six transactions allowed. The total number of restricted withdrawals/transfers allowed remains at six.

Contact a Beacon Credit Union representative if you have questions about your accounts and Reg D.

