

DISCLOSURES



Regulation D and How It Affects Your Accounts

Please note: Federal Reserve Regulation D is a directive of the government, not USSCO Johnstown Federal Credit Union.

Federal regulations require USSCO Johnstown Federal Credit Union to limit the way withdrawals may be made from share savings, club, CDs, Savers, and money market accounts. Withdrawals in excess of these limits may result in a fee or account closure.

Members sometimes wonder why share savings, club, CDs, Savers, and money market accounts have different terms or pay different interest rates. One of these reasons is Regulation D:

- Regulation D applies to all financial institutions.
- The Regulation was implemented by the Board of Governors of the Federal Reserve System to ensure financial institutions maintain adequate reserves for the funds they have on deposit and ensure sufficient funds are available to meet member's withdrawal demands. Reserve requirements are based upon a financial institution's total balance held in transaction versus non-transaction accounts.
- The regulation establishes operating parameters for each account category, such as transaction accounts (checking accounts) and non-transaction accounts (share savings, club, CDs, Savers, and money market accounts.) The Federal Reserve requires financial institutions to treat a typical savings account differently from a checking account. Savings accounts are intended to be established for long term savings with few withdrawals. On the other hand, checking accounts are established for frequent transactions.
- Regulation D places limits on the type and number of withdrawals that can be made from certain non-transaction accounts (share savings, club, CDs, Savers, and money market accounts.)
- Checking accounts are deemed to be transaction accounts and have no such transfer or withdrawal limitations.

Regulation D Limitations

Share Savings, Club, CDs, Savers, and Money Market Deposit Accounts: During any calendar month, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic order or instruction.

To help you understand these Reg. D savings account transaction limitations and to avoid excess activity charges, please review the following information:

Non-Limited Transactions:

- Deposits including night drop box deposits
- ATM cash withdrawals and transfers (subject to daily amount limits and sufficient available funds)
- Withdrawals made in person, by mail, or by messenger at a USSCO Johnstown Federal Credit Union office
- Transfers made in person or written transfer note deposited in night drop box or written transfer note by messenger at a USSCO Johnstown Federal Credit Union office
- Automatic, telephonic, MAID, and Home Banking transfers to repay your USSCO Johnstown Federal Credit Union loan

Limited Transactions:

- Automatic transfers from a non-transaction account to another deposit account at USSCO Johnstown Federal Credit Union
- Automatic transfers from a non-transaction account to a third party or another institution
- Telephone transfers, including MAID and those initiated by phone call, fax, or e-mail from a non-transaction account through a credit union representative
- Home Banking online banking transfers from a non-transaction account
- Overdraft transfers from a non-transaction account to a checking account

In order to ensure that no more than the permitted number of withdrawals or transfers is made, the regulation requires that depository institutions take steps to prevent excessive transactions.

Excessive Transactions: Withdrawals or transfers by mail, in person at one of our offices, and through an ATM are unlimited and are not subject to the Regulation D 6-transfer/withdrawal limitation. Transfers/withdrawals in excess of the 6-transfer/withdrawal limitations as described above may be subject to a \$32.00 fee.

For members who continue to violate those limits after they have been contacted by the depository institution, the Regulation requires that either the account be closed, the funds be transferred to a transaction account that the depositor is eligible to maintain, or transfer and draft capabilities be taken away.

If you anticipate more frequent transactions, contact a USSCO Johnstown Federal Credit Union representative at 814-266-4987 or toll free at 1-866-877-2628 to discuss converting your account to a transaction account.