

Wawa Employees Credit Union

Regulation D Notice:

Effective October 1, 2017, Wawa Employees Credit Union will be making changes to your savings, money market and club accounts in accordance with Federal Reserve Board Regulation D. This regulation was implemented by the Board of Governors of the Federal Reserve System, whose job is to ensure that financial institutions maintain adequate reserves for the funds they have on deposit. This regulation does not apply to your checking account.

According to Regulation D, a member may not make more than six (6) preauthorized, automated or telephone transfers/withdrawals from these accounts each month (statement period). 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.

Regulation D: Share, Club, and Money Market Account Transaction Limits

Federal regulations require banks and credit unions to limit the way the transfers/withdrawals may be made from savings, club or money market deposit accounts. Transfers/withdrawals in excess of these limits may result in a fee or account closure.

- Regulation D applies to all financial institutions
- It imposes uniform reserve requirements on transaction accounts or non-personal time deposits, defines such deposits and requires reports to the Federal Reserve
- The regulation establishes operating parameters for each account category, such as transaction accounts (share draft or checking accounts) and non-transaction savings accounts (share, club, and money market accounts).
- Regulation D also places limits on the type and number of fee free withdrawals/transfers that can be made from certain non-transaction accounts, such as, share, club, and money market accounts.
- Checking accounts are deemed to be “transaction accounts,” and have no such transfer/withdrawal limits.

How Regulation D will affect your Share, Club, and Money Market Accounts:

As of October 1, 2017, during any month (statement period) federal regulations now require Wawa Employees Credit Union to charge a fee to members who exceed six (6) withdrawals/transfers between credit union accounts by means of preauthorized, automatic transfer or telephone order, whether initiated by check, draft, or debit card and if applicable, to a third party. This also includes bill payment transactions. **Exempt are teller transaction at the Credit Union and all ATM Transactions.**

For all transfers/withdrawals in excess of the Regulation D limitations as described above, Wawa Employees' CU will charge you a \$5.00 handling charge per item.

To help you understand the Regulation D transaction limitations and to avoid excess activity charges, please review the following information:

Limited Transactions (subject to a fee):

- Automatic transfers (including overdraft protection) to another account at Wawa Employees CU
- Automatic transfer to a third party or another institution
- Telephone transfers/withdrawals
- Online banking transfers

Unlimited Transactions (not subject to a fee):

- Deposits
- ATM cash withdrawals and transfers
- Withdrawals/transfers made in person
- Transfers
- Loan Payments
- Payroll deductions

Excessive Transactions:

In order to ensure that no more than the permitted number of withdrawals/transfers are made, Regulation D requires the Credit Union to take steps to prevent excessive transactions.

For all transfers/withdrawals in excess of the Regulation D limitations as described above, Wawa Employees CU will charge you a \$5.00 handling charge per item.

For members who exceed those limits, after they have been contacted by the Credit Union, Regulation D requires that the funds be transferred to a transaction account (such as a checking account) that the member is eligible to maintain.

THIS REGULATION DOES NOT APPLY TO YOUR CHECKING ACCOUNT.

What can you do to make sure that the limit is not exceeded?

1. Ensure your direct deposit is being deposited into your checking.
2. Ensure all direct debits are being withdrawn from your checking account.
3. Utilize your checking account for as many transactions as you can. There is no limit to the number of transactions in a checking account.
4. Use as ATM to transfer funds between your accounts. These are not counted as Regulation D transfers.
5. Keep sufficient funds in your checking account to avoid overdraft charges.