

**AN IMPORTANT NOTICE
TO SHARE DRAFT (CHECKING) OWNERS**

Do You Know About Federally Regulated . . .

SAVINGS WITHDRAWAL & TRANSFER LIMITS?

You should. These Federally Regulated limits can prevent checks from clearing on your checking OR items from being paid on your share (savings) account. Below you will find important information on when these withdrawal and transfer limits affect your account, plus strategies to help manage them.

A federal law, known as Regulation D, limits the number of certain transfers that a credit union may allow a member to make from a share account. You may make no more than six covered transfers or withdrawals per calendar month or statement cycle. No more than three of the covered transfers or withdrawals may be by check or draft made by the member payable to third parties.

The following chart indicates the type of transfers from share (savings) account that would or would not be covered towards the six-transfer limit.

COVERED Transfers & Withdrawals Limit 6 per Month (Any Combination)	NON-COVERED Transfers & Withdrawals
<ul style="list-style-type: none">- Checks made payable to a third party;- Preauthorized or automatic transfers to a third Party (including ACH transfers;- Transfers initiated through online banking;- STARS (audio response) transfers from Savings;- Voice Mail / Telephone requests from Savings;- EMAIL / Fax requests from Savings;- Text message requests for transfers;- Transfers to other financial institutions;- Transfers to other accounts at the credit union; i.e. <u>Overdraft Transfers to Checking from Savings.</u>	<ul style="list-style-type: none">- Withdrawals made in person at the credit union;- Withdrawals made at an ATM;- Requests for withdrawals sent by mail to CU;- Requests send by messenger to the CU;- Telephone requests for withdrawals if check is mailed to you;- Payments to a loan account held at the CU.

You are allowed any combination of six of the "covered" transactions. After six per month, additional transactions will be rejected and overdraft fees assessed.

If sufficient funds are not in the share draft (checking) account and an overdraft transfer from the share (savings) account occurs, a \$1.00 overdraft transfer fee will be charged. Please make sure sufficient funds are in the checking account before writing a check. Remember you are limited to six transfers per month by STARS, online banking or over-the-phone, and as many as you like by-mail or in-person.

What happens if I exceed the six-transaction threshold?

We will take action on the account in order to prevent you from repeatedly exceeding the six-transaction limit. These actions may include, but not limited to:

- Sending letters or notices to you informing you that you have reached six transactions for the month;
- Rejecting transactions in excess of the six allowed transactions;
- Limiting your ability to make transactions to third parties from the account;
- Closing the account if the transaction threshold is repeatedly surpassed.
- If you exceed these limitations, your account may be subject to a fee or closed.
- The credit union will transfer ALL the funds in the shares (savings) to the checking to avoid further transfers that violate Regulation D.

6 Strategies to help manage Federally regulated SAVINGS withdrawal and transfer limits:

- Do not authorize anyone to make ACH withdrawals from your Savings account. Instead set up the withdrawal from your checking account which has unlimited ACH withdrawals.
- Set up an Overdraft Line of Credit Loan as your primary overdraft source. Transfers from your Overdraft Line of Credit Loan are not regulated. Transfers from your savings account to repay your loan are also not regulated.
- Establish a direct deposit or payroll allotment directly to your checking account, or revise your existing direct deposit to prevent overdraft transfers from your shares.
- Balance your checking account periodically. This will help limit the number of overdraft (NSF) transfers from your savings account.
- Plan ahead to either stop by or mail in your funds transfer request. These two types of transfers are not limited.
- Plan ahead and make one large transfer instead of several small transfers. Each regulated transfer counts as one transaction, no matter what the size.

If you need more information about federally regulated SAVINGS withdrawal and transfer limits, call the Credit Union at 703/777-4744.