

EFFECTIVE AUGUST 1, 2012

Federal Regulation D and Its Effect on Your Accounts

Regulation D impacts the number of transfers G.A.P. Federal Credit Union may allow on your deposit (savings) accounts. The 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. Regulation D affects you by limiting certain withdrawals and transfers that may be made from your Share Savings.

This is of particular importance to those members who use their Savings account as Overdraft Protection.

Regulation D FAQs

- * What is Regulation D?
- * What transactions are not affected by Regulation D?
- * What are my options once an account has reached its Regulation D limit?
- * If an account used for Overdraft Protection has reached its Regulation D limit, will overdraft requests be honored?
- * I have authorized a merchant to automatically withdraw payments from my Savings Account; does this count against my monthly limit?

1. What is Regulation D?

Federal Regulation D places a monthly limit on the number of transfers you may make from your Savings Accounts without your physical presence being required. Transfers affected by this regulation therefore include:

- * Transfers made using *GAP Access (online banking)*
- * Overdraft transfers (made automatically to cover insufficient funds in other accounts (see below))
- * Transfers made by a Member Service Representative on your behalf (you are not present at the time of the transfer)
- * Pre-authorized, automatic, scheduled or recurring transfers

You are allowed six such transfers per month.

2. What transactions are NOT affected by Regulation D?

- * ATM transactions
- * Transfers made to G.A.P. FCU loans
- * Transactions done in person at a branch
- * Transactions sent in by mail or Night Drop with an original signature
- * G.A.P. FCU *BillPay Plus* (which uses funds from your checking account)

3. What are my options once an account has reached its Regulation D limit?

You may complete withdrawals and transfers in person, by mail, or at an ATM.

4. If an account used for Overdraft Protection has reached its Regulation D limit, will overdraft requests be honored?

Yes, if the Overdraft Protection account is a Savings Account. But you will receive a notice by mail and incur an over the limit charge for every overdraft beyond your monthly limit. However, if the Overdraft Protection account is a Line-of-Credit loan (which is not affected by Regulation D) the overdraft will complete normally.

Did you know, with an Overdraft Protection Loan, money from your line of credit is automatically transferred into your share draft account when your account goes negative or, if an emergency comes up, you can call for an advance. Apply today, online at www.gapfcu.org or call 814-535-4165 to see if you qualify. **other terms & conditions apply*

5. I have authorized a merchant to automatically withdraw payments from my Savings Account; do these count against my monthly limit?

Yes. These payments (which you might know as "ACH" or "EFT" transactions) follow Regulation D limitations. Any withdrawals attempted beyond your monthly limit will be honored but a fee of \$10.00 per item will be charged to your account monthly. To avoid this situation, make automatic payments using something other than a savings account, such as a checking account. Contact the merchant to arrange this change, and be aware that your request could take more than a month to go into effect. Alternatively, consider using G.A.P. FCU *BillPay Plus* to automatically send payments to the merchant, rather than authorizing the merchant to automatically withdraw payments.

Bear in mind that you must have a checking account to use Bill Pay*.

****There is a fee of \$3 per month for unlimited use of G.A.P. FCU's Bill Pay service. Bill Pay is FREE to members whose net check is directly deposited to a G.A.P. FCU account.***

REGULATION D IS A DIRECTIVE OF THE FEDERAL RESERVE, NOT OF G.A.P. FEDERAL CREDIT UNION.