



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF CONSUMER AND
COMMUNITY AFFAIRS

CA 21-6

March 29, 2021

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS
SECTIONS AND INSTITUTIONS SUPERVISED BY THE FEDERAL RESERVE:**

SUBJECT: Suspension of Regulation D Examination Procedures

Applicability: This letter is relevant for all institutions supervised by the Federal Reserve, including those with \$10 billion or less in consolidated assets.

On April 28, 2020, the Board of Governors of the Federal Reserve (Board) published an interim final rule¹ to amend Regulation D (Reserve Requirements of Depository Institutions) to delete the six-per-month limit on convenient transfers from the “savings deposit” definition. The interim final rule allows, but does not require, financial institutions to suspend enforcement of the six-transfer limit and to allow their customers to make an unlimited number of convenient transfers and withdrawals from their savings deposits.

In response to this regulatory change, the Board is joining other FFIEC agencies in suspending its consumer compliance examiners’ use of the Regulation D Examination Procedures. With removal of the limit on convenient transfers from savings deposits, financial institutions that decide to suspend enforcement of that six-transfer limit no longer need to monitor savings deposit account transaction activity to track the number of convenient transfers, notify customers who exceed the maximum number of transfers, or close savings deposit accounts that repeatedly exceed that maximum. In addition, customers of those institutions will receive the benefit of more convenient access to their funds.

Regardless of whether a financial institution intends to allow customers to make unlimited transfers and withdrawals from savings deposits, financial institutions must comply with the Truth in Savings Act’s implementing regulation, Regulation DD, which requires certain disclosures for deposit accounts. For example, Regulation DD requires that fees and transaction limitations be disclosed at account opening. Any subsequent changes to these terms that adversely affect consumers must also be disclosed at least 30 days prior to the effective date of

¹ [85 FR 23445 \(Apr. 28, 2020\)](#).

the change. Given these Regulation DD disclosure requirements and their related examination procedures, suspension of the Regulation D Examination Procedures should reduce financial institutions' compliance burden without any reduction in consumer financial protection.

Reserve Banks are asked to distribute this letter to the supervised institutions in their districts and to appropriate supervisory staff. Questions regarding this letter may be sent via the Board's public website.²

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Director

² See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>