



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-52-2009**  
**September 9, 2009**

## **ELIMINATION OF THREE TRANSFER SUBLIMIT FOR WITHDRAWALS FROM SAVINGS DEPOSITS**

### **Final Rule**

**Summary:** The Federal Deposit Insurance Corporation (FDIC) has published the attached final rule, which recognizes elimination of the monthly three transfer sublimit for certain types of withdrawals from the savings deposits of FDIC-supervised institutions. The overall six transfer limit on pre-authorized or automatic withdrawals will still exist. This rule parallels a recent amendment to Regulation D by the Federal Reserve Board, which took effect on July 2, 2009. Under the FDIC Rules and Regulations, FDIC-supervised institutions become subject to exceptions to statutory prohibitions as soon as they are promulgated by the Federal Reserve Board.

**Distribution:**  
FDIC-Supervised Institutions

**Suggested Routing:**  
Compliance Officer

**Related Topics:**  
Interest on Deposits  
12 C.F.R. Part 329

**Attachment:**  
Final Rule

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**Note:**  
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#### **Highlights:**

- Federal law prohibits interest on demand deposits. To implement this prohibition for member banks, restrictions on transfers and withdrawals from deposits are set forth in Regulation D.
- By law, the FDIC must make such exceptions to the statutory prohibition against the payment of interest on demand deposits with respect to state nonmember banks and insured branches of foreign banks as are prescribed by Federal Reserve Board regulation for member banks.
- Regulation D previously excluded from the definition of a "demand deposit" accounts that permit no more than six transfers per four-week period with a sublimit of not more than three transfers per month by check, debit card or other drafts to third parties.
- Regulation D was recently amended by the Federal Reserve Board to increase from three to six the permissible monthly number of transfers or withdrawals from savings deposits by check, debit card or other drafts to third parties.
- The elimination of the three transfer sublimit was effective for FDIC-supervised institutions on July 2, 2009, the effective date of the amendment to Regulation D.
- The FDIC has amended Part 329 of its regulations to reflect this change.