

**National Credit Union Administration**

**§ 797.25**

former employee to collect the balance  
of the debt pursuant to *31 U.S.C. 3716*.



## CHAPTER VIII—FEDERAL FINANCING BANK

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## PART 810—FEDERAL FINANCING BANK BILLS

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AUTHORITY: Secs. 9–11, 87 Stat. 939, 940; (12 U.S.C. 2288, 2289, 2290).

SOURCE: 39 FR 26397, July 19, 1974, unless otherwise noted.

### § 810.0 Authority for issue and sale.

The Federal Financing Bank is authorized under the Federal Financing Bank Act of 1973, to issue publicly, with the approval of the Secretary of the Treasury, obligations having such maturities and bearing such rate or rates of interest as may be determined by the Bank. Pursuant to this authority, Federal Financing Bank bills, referred to herein as “FFB bills,” are offered for sale from time to time and tenders invited therefor, through the Federal Reserve Banks. The FFB bills so offered, the tenders made, and all subsequent transactions therein are subject to the terms and conditions of the public notice offering the bills for sale, this circular, and to the extent not inconsistent with such notice and circular, to Department of the Treasury Circular No. 418, current revision, the regulations governing United States Treasury bills, and all other regulations governing United States securities.

### § 810.1 Description of Federal Financing Bank bills.

(a) *General.* Federal Financing Bank bills are bearer obligations of the Federal Financing Bank, the terms of which provide for payment of a specified amount on a specified date. They are issued only by Federal Reserve Banks and Branches, pursuant to tenders accepted by the Federal Financing Bank, and are available in both definitive and book-entry form.

Where issued as a definitive security, it shall not be valid unless the issue date, the maturity date and the CUSIP number are imprinted thereon.

(b) *Denominations.* Federal Financing Bank bills will be issued in denominations of \$10,000, \$15,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

### § 810.2 Public notice of offering.

On the occasion of an offering of FFB bills, tenders therefor will be invited through public notices issued by the Federal Financing Bank. Each notice will set forth the amount offered, the issue date, the date they will be due and payable, the place and the date of the closing hour for the receipt of tenders and the date on which payment for accepted tenders must be made or completed.

### § 810.3 Payment at maturity.

Each FFB bill will be paid in its face amount at maturity upon presentation and surrender to any Federal Reserve Bank or Branch or to the Department of the Treasury, Bureau of the Public Debt, Securities Transaction Branch, Washington, DC 20226. If a FFB bill is presented and surrendered for redemption after it has become overdue, the Federal Financing Bank may require satisfactory proof of ownership, as provided in §306.25 of Department of the Treasury Circular No. 300, current revision.

### § 810.4 Acceptance of FFB bills for various purposes.

Federal Financing Bank bills are lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States, the District of Columbia, the Commonwealth of Puerto Rico or any territory or possession of the United States. They are eligible for purchase by national banks, and will be accepted at maturity value to secure public moneys.

### § 810.5 Taxation.

All FFB bills shall be subject to Federal taxation to the same extent as obligations of private corporations are taxed.

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### § 810.6 Exemption.

Obligations of the Federal Financing Bank are deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)), of section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78(a)(12)), and of section 304(a)(4) of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd(a)(4)).

### § 810.7 Federal Reserve Banks as fiscal agents.

The Federal Reserve Banks, as fiscal agents of the United States, have been authorized by the Department of the Treasury to perform all such acts as may be necessary to carry out the provisions of this and other circulars of the Department of the Treasury as may be applicable to FFB bills, and of any public notice or notices issued in connection with any offering of these securities.

### § 810.8 Reservations as to terms of circular.

The Federal Financing Bank reserves the right to amend, supplement, revise or withdraw all or any of the provisions of this circular at any time or from time to time.

## PART 811—BOOK-ENTRY PROCEDURE FOR FEDERAL FINANCING BANK SECURITIES

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AUTHORITY: The Federal Financing Bank Act of 1973, sections 9-11, 87 Stat. 939, 940; 12 U.S.C. 2288, 2289, 2290.

SOURCE: 40 FR 5532, Feb. 6, 1975, unless otherwise noted.

## 12 CFR Ch. VIII (1-1-12 Edition)

### § 811.0 Definition of terms.

In this part, unless the context otherwise requires or indicates:

(a) *Reserve Bank* means the Federal Reserve Bank of New York (and any other Federal Reserve Bank which agrees to issue Federal Financing Bank securities in book-entry form) as fiscal agent of the United States acting on behalf of the Federal Financing Bank and, when indicated, acting in its individual capacity.

(b) *Federal Financing Bank security* means a Federal Financing Bank bond, note, certificate of indebtedness, or bill issued under the Federal Financing Bank Act of 1973, in the form of a definitive Federal Financing Bank security or a book-entry Federal Financing Bank security.

(c) *Definitive Federal Financing Bank security* means a Federal Financing Bank bond, note, certificate of indebtedness, or bill issued under the Federal Financing Bank Act of 1973, in engraved or printed form.

(d) *Book-entry Federal Financing Bank security* means a Federal Financing Bank bond, note, certificate of indebtedness, or bill issued under the Federal Financing Bank Act of 1973, in the form of an entry made as prescribed in this part on the records of a Reserve Bank.

(e) *Pledge* includes a pledge of, or any other security interest in, Federal Financing Bank securities as collateral for loans or advances or to secure deposits of public monies or the performance of an obligation.

(f) *Date of call* is the date fixed in the official notice of call published in the FEDERAL REGISTER on which the Federal Financing Bank will make payment of the security before maturity in accordance with its terms.

(g) *Member bank* means any national bank, State bank or bank or trust company which is a member of a Reserve Bank.

### § 811.1 Authority of Reserve Banks.

Each Reserve Bank is hereby authorized, in accordance with the provisions of this part, to: (a) Issue book-entry Federal Financing Bank securities by means of entries on its records which shall include the name of the depositor, the amount, the loan title (or series)

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and maturity date; (b) effect conversions between book-entry Federal Financing Bank securities and definitive Federal Financing Bank securities; (c) otherwise service and maintain book-entry Federal Financing Bank securities; and (d) issue a confirmation of transaction in the form of a written advice (serially numbered or otherwise) which specifies the amount and description of any securities, that is, loan title (or series) and maturity date, sold or transferred and the date of the transaction.

### §811.2 Scope and effect of book-entry procedure.

(a) A Reserve Bank, as fiscal agent of the United States acting on behalf of the Federal Financing Bank, may apply the book-entry procedure provided for in this part to any Federal Financing Bank securities which have been or are hereafter deposited for any purpose in accounts with it in its individual capacity under terms and conditions which indicate that the Reserve Bank will continue to maintain such deposit accounts in its individual capacity, notwithstanding application of the book-entry procedure to such securities. This paragraph is applicable, but not limited, to securities deposited:

(1) As collateral pledged to a Reserve Bank (in its individual capacity) for advances by it;

(2) By a member bank for its sole account;

(3) By a member bank held for the account of its customers;

(4) In connection with deposits in a member bank of funds of States, municipalities, or other political subdivisions; or,

(5) In connection with the performance of an obligation or duty under Federal, State, municipal, or local law, or judgments or decrees of courts.

The application of the book-entry procedure under this paragraph shall not derogate from or adversely affect the relationship that would otherwise exist between a Reserve Bank in its individual capacity and its depositors covering any deposits under this paragraph. Whenever the book-entry procedure is applied to such Federal Financing Bank securities, the Reserve Bank is authorized to take all action nec-

essary in respect of the book-entry procedure to enable such Reserve Bank in its individual capacity to perform its obligations as depository with respect to such Federal Financing Bank securities.

(b) A Reserve Bank, as fiscal agent of the United States acting on behalf of the Federal Financing Bank, shall apply the book-entry procedure to Federal Financing Bank securities deposited as collateral pledged to the United States under current revisions of Department of the Treasury Circulars Nos. 92 and 176 (31 CFR, parts 203 and 202), and may apply the book-entry procedure, with the approval of the Secretary of the Treasury, to any other Federal Financing Bank securities deposited with a Reserve Bank, as fiscal agent of the United States.

(c) Any person having an interest in Federal Financing Bank securities which are deposited with a Reserve Bank (in either its individual capacity or as fiscal agent of the United States) for any purpose shall be deemed to have consented to their conversion to book-entry Federal Financing Bank securities pursuant to the provisions of this part, and in the manner and under the procedures prescribed by the Reserve Bank.

(d) No deposits shall be accepted under this section on or after the date of maturity or call of the securities.

### §811.3 Transfer or pledge.

(a) A transfer or a pledge of book-entry Federal Financing Bank securities to a Reserve Bank (in its individual capacity or as fiscal agent of the United States), or to the United States, or to any transferee or pledgee eligible to maintain an appropriate book-entry account in its name with a Reserve Bank under this part, is effected and perfected, notwithstanding any provision of law to the contrary, by a Reserve Bank making an appropriate entry in its records of the securities transferred or pledged. The making of such an entry in the records of a Reserve Bank shall:

(1) Have the effect of a delivery in bearer form of definitive Federal Financing Bank securities; (2) have the effect of a taking of delivery by the transferee or pledgee; (3) constitute the

transferee or pledgee a holder; and (4) if a pledge, effect a perfected security interest therein in favor of the pledgee. A transfer or pledge of book-entry Federal Financing Bank securities effected under this paragraph shall have priority over any transfer, pledge, or other interest, theretofore or thereafter effected or perfected under paragraph (b) of this section or in any other manner.

(b) A transfer or a pledge of transferable Federal Financing Bank securities, or any interest therein, which is maintained by a Reserve Bank (in its individual capacity or as fiscal agent of the United States) in a book-entry account under this part, including securities in book-entry form under §811.2(a)(3), is effected, and a pledge is perfected, by any means that would be effective under applicable law to effect a transfer or to effect and perfect a pledge of the Federal Financing Bank securities, or any interest therein, if the securities were maintained by the Reserve Bank in bearer definitive form. For purposes of transfer or pledge hereunder, book-entry Federal Financing Bank securities maintained by a Reserve Bank shall, notwithstanding any provision of law to the contrary, be deemed to be maintained in bearer definitive form. A Reserve Bank maintaining book-entry Federal Financing Bank securities either in its individual capacity or as fiscal agent of the United States is not a bailee for purposes of notification of pledges of those securities under this subsection, or a third person in possession for purposes of acknowledgement of transfers thereof under this subsection. Where transferable Federal Financing Bank securities are recorded on the books of a depository (a bank, banking institution, financial firm, or a similar party, which regularly accepts in the course of its business Federal Financing Bank securities as a custodial service for customers, and maintains accounts in the names of such customers reflecting ownership of or interest in such securities) for account of the pledgor or transferor thereof and such securities are on deposit with a Reserve Bank in a book-entry account hereunder, such depository shall, for purposes of perfecting a pledge of such securities or

effecting delivery of such securities to a purchaser under applicable provisions of law, be the bailee to which notification of the pledge of the securities may be given or the third person in possession from which acknowledgment of the holding of the securities for the purchaser may be obtained. A Reserve Bank will not accept notice or advice of a transfer or pledge effected or perfected under this subsection, and any such notice or advice shall have no effect. A Reserve Bank may continue to deal with its depositor in accordance with the provisions of this part, notwithstanding any transfer or pledge effected or perfected under this subsection.

(c) No filing or recording with a public recording office or officer shall be necessary or effective with respect to any transfer or pledge of book-entry Federal Financing Bank securities or any interest therein.

(d) A Reserve Bank shall, upon receipt of appropriate instructions, convert book-entry Federal Financing Bank securities into definitive Federal Financing Bank securities and deliver them in accordance with such instructions; no such conversion shall affect existing interests in such Federal Financing Bank securities.

(e) A transfer of book-entry Federal Financing Bank securities within a Reserve Bank shall be made in accordance with procedures established by the Bank not inconsistent with this part. The transfer of book-entry Federal Financing Bank securities by a Reserve Bank may be made through a telegraphic transfer procedure.

(f) All requests for transfer or withdrawal must be made prior to the maturity or date of call of the securities.

**§811.4 Withdrawal of Federal Financing Bank securities.**

(a) A depositor of book-entry Federal Financing Bank securities may withdraw them from a Reserve Bank by requesting delivery of like definitive Federal Financing Bank securities to itself or on its order to a transferee.

(b) Federal Financing Bank securities which are actually to be delivered upon withdrawal may be issued either in registered or in bearer form, except

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that Federal Financing Bank bills will be issued in bearer form only.

### **§811.5 Delivery of Federal Financing Bank securities.**

A Reserve Bank which has received Federal Financing Bank securities and effected pledges, made entries regarding them, or transferred or delivered them according to the instructions of its depositor is not liable for conversion or for participation in breach of fiduciary duty even though the depositor had no right to dispose of or take other action in respect of the securities. A Reserve Bank shall be fully discharged of its obligations under this part by the delivery of Federal Financing Bank securities in definitive form to its depositor or upon the order of such depositor. Customers of a member bank or other depository (other than a Reserve Bank) may obtain Federal Financing Bank securities in definitive form only by causing the depositor of the Reserve Bank to order the withdrawal thereof from the Reserve Bank.

### **§811.6 Registered bonds and notes.**

Registered Federal Financing Bank securities deposited with a Reserve Bank for any purpose specified in §811.2

shall be assigned for conversion to book-entry Federal Financing Bank securities. The assignment, which shall be executed in accordance with the provisions of subpart F of 31 CFR, part 306, so far as applicable, shall be to—

Federal Reserve Bank of \_\_\_\_\_, as fiscal agent of the United States acting on behalf of the Federal Financing Bank for conversion to book-entry Federal Financing Bank securities.

### **§811.7 Servicing book-entry Federal Financing Bank securities; payment of interest; payment at maturity or upon call.**

Interest becoming due on book-entry Federal Financing Bank securities shall be charged against the special agent account maintained by the Department of the Treasury for the Federal Financing Bank on the interest due date and remitted or credited in accordance with the depositor's instructions. Such securities shall be redeemed and charged against the above said account on the date of maturity or call, and the redemption proceeds, principal and interest, shall be disposed of in accordance with the depositor's instructions.