

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 306—GENERAL REGULATIONS GOVERNING U.S. SECURITIES

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Subpart A—General Information

§ 306.0 Applicability of regulations.

These regulations apply to all U.S. transferable and nontransferable securities,¹ other than U.S. Savings Bonds and U.S. Savings Notes, to the extent specified in these regulations, the offering circulars or special regulations governing such securities.

¹These regulations may also be applied to securities issued by certain agencies of the United States and certain Government and Government-sponsored corporations.

§ 306.1 Official agencies.

The Bureau of the Public Debt of the Department of the Treasury is charged with matters relating to transactions in securities. Correspondence concerning transactions in securities and requests for appropriate forms may be addressed to the Division of Customer Service, Parkersburg, WV 26102.

[64 FR 38125, July 15, 1999]

§ 306.2 Definitions of words and terms as used in these regulations.

(a) *Advance refunding offer* is an offer to a holder of a security, usually a year or more in advance of its call or maturity date, to exchange it for another security.

(b) A *bearer* security is payable on its face at maturity or call for redemption before maturity in accordance with its terms to *bearer*. The ownership is not recorded. Title to such a security may pass by delivery without endorsement and without notice. A *coupon* security is a bearer security with interest coupons attached.

(c) Bureau refers to the Bureau of the Public Debt, Division of Customer Service, Parkersburg, WV 26102.

(d) *Call date* or *date of call* is the date fixed in the official notice of call published in the FEDERAL REGISTER as the date on which the obligor will make payment of the security before maturity in accordance with its terms.

(e) *Court* means one which has jurisdiction over the parties and the subject matter.

(f) *Department* refers to the Department of the Treasury.

(g) *Depository institution* means an entity described in section 19(b)(1)(A)(i)—(vi) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)—(vi)). Under section 19(b) of the Federal Reserve Act, the term *depository institution* includes:

(1) Any insured bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(2) Any mutual savings bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(3) Any savings bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(4) Any insured credit union as defined in 12 U.S.C. 1752 or any credit union which is eligible to make application to become an insured credit union under 12 U.S.C. 1781;

(5) Any member as defined in 12 U.S.C. 1422; and

(6) Any savings association (as defined in 12 U.S.C. 1813) which is an insured depository institution, as defined in the Federal Deposit Insurance Act, 12 U.S.C. 1811, *et seq.*, or is eligible to apply to become an insured depository institution under such Act.

(h) *Face maturity date* is the payment date specified in the text of a security.

(i) *Incompetent* refers to a person under any legal disability except minority.

(j) *Joint owner* and *joint ownership* refer to any permitted form of ownership by two or more persons.

(k) *Nontransferable securities* are those issued only in registered form which according to their terms are payable only to the registered owners or recognized successors in title to the extent and in the manner provided in the offering circulars or special applicable regulations.

(l) *Payment* and *redemption*, unless otherwise indicated by the context, are used interchangeably for payment at maturity or payment before maturity pursuant to a call for redemption in accordance with the terms of the securities.

(m) *Prerefunding offer* is an offer to a holder of a security, usually within the year preceding its call or maturity date, to exchange it for another security.

(n) *Redemption-exchange* is any authorized redemption of securities for the purpose of applying the proceeds in payment for other securities offered in exchange.

(o) A *registered* security refers to a security the ownership of which is registered on the books of the Department. It is payable at maturity or call for redemption before maturity in accordance with its terms to the person in whose name it is inscribed, or his assignee.

(p) *Securities assigned in blank* or *securities so assigned as to become in effect payable to bearer* refers to registered securities which are assigned by the owner or his authorized representative without designating the assignee. Registered securities assigned simply to *The Secretary of the Treasury* or in the case of Treasury Bonds, Investment Series B—1975–80, to *The Secretary of the Treasury for exchange for the current Series EA or EO Treasury notes* are considered to be so assigned as to become in effect payable to bearer.

(q) *Signature guarantee program* means a signature guarantee program established in response to Rule 17 Ad-15 (17 CFR 240.17Ad-15), issued under authority of the Securities Exchange Act of 1934. For the purpose of the regulations, in this part, the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchanges Medallion Program (SEMP), and the New York Stock Exchange, Inc. Medallion Signature Program (MSP) are recognized by Treasury as such signature guarantee programs.

(r) *Taxpayer identifying number* means the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service, i.e., an individual's social security account number or an employer identification number. A social security account number is composed of nine digits separated by two hyphens, for example, 123-45-6789; an employer identification number is composed of nine digits separated by one hyphen, for example, 12-3456789. The hyphens are an essential part of the numbers and must be included.

(s) *Transferable securities*, which may be in either registered or bearer form, refers to securities which may be sold on the market and transfer of title accomplished by assignment and delivery if in registered form, or by delivery only if in bearer form.

(t) *Treasury securities, Treasury bonds, Treasury notes, Treasury certificates of indebtedness, and Treasury bills*, or simply *securities, bonds, notes, certificates, and bills*, unless otherwise indicated by

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the context, refer only to transferable securities.

[38 FR 7078, Mar. 15, 1973, as amended at 59 FR 59036, Nov. 15, 1994; 64 FR 38125, July 15, 1999]

§ 306.3 Transportation charges and risks in the shipment of securities.

The following guidelines apply to the transportation of reissued securities or securities presented for authorized transactions:

(a) The securities may be presented in person by the owner or the owner's agent.

(b) If securities are not presented in person, shipment of the securities is at the owner's risk and expense.

(c) Reissued securities will be delivered by certified mail or by other means, at the risk of the registered owner and at the expense of the Department.

[64 FR 38125, July 15, 1999]

Subpart B—Registration

§ 306.10 General.

The registration used must express the actual ownership of a security and may not include any restriction on the authority of the owner to dispose of it in any manner, except as otherwise specifically provided in these regulations. The Treasury Department reserves the right to treat the registration as conclusive of ownership. Requests for registration should be clear, accurate, and complete, conform with one of the forms set forth in this subpart, and include appropriate taxpayer identifying numbers.² The registration of all bonds owned by the same person, organization, or fiduciary should be uniform with respect to the name of the owner and, in the case of a fiduciary, the description of the fiduciary

²Taxpayer identifying numbers are not required for foreign governments, nonresident aliens not engaged in trade or business within the United States, international organizations and foreign corporations not engaged in trade or business and not having an office or place of business or a financial or paying agent within the United States, and other persons or organizations as may be exempted from furnishing such numbers under regulations of the Internal Revenue Service.

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capacity. Individual owners should be designated by the names by which they are ordinarily known or under which they do business, preferably including at least one full given name. The name of an individual may be preceded by any applicable title, as, for example, *Mrs.*, *Miss*, *Ms.*, *Dr.*, or *Rev.*, or followed by a designation such as *M.D.*, *D.D.*, *Sr.*, or *Jr.* Any other similar suffix should be included when ordinarily used or when necessary to distinguish the owner from a member of his family. A married woman's own given name, not that of her husband, must be used, for example, *Mrs. Mary A. Jones*, not *Mrs. Frank B. Jones*. The address should include, where appropriate, the number and street, route, or any other local feature and the Zip Code.

§ 306.11 Forms of registration for transferable securities.

The forms of registration described below are authorized for transferable securities:

(a) *Natural persons in their own right.* In the names of natural persons who are not under any legal disability, in their own right, substantially as follows:

(1) *One person.* In the name of one individual. Examples:

John A. Doe (123-45-6789).
Mrs. Mary C. Doe. (123-45-6789).
Miss Elizabeth Jane Doe (123-45-6789).

An individual who is sole proprietor of a business conducted under a trade name may include a reference to the trade name. Examples:

John A. Doe, doing business as Doe's Home Appliance Store (123-45-6789).

or

John A. Doe (123-45-6789), doing business as Doe's Home Appliance Store.

(2) *Two or more persons—general.* Securities will not be registered in the name of one person payable on death to another, or in any form which purports to authorize transfer by less than all the persons named in the registration (or all the survivors).³ Securities will

³Warning. Difference Between Transferable Treasury Securities Registered in the Names of Two or More Persons and United States

not be registered in the forms *John A. Doe and Mrs. Mary C. Doe*, or either of them or *William C. Doe or Henry J. Doe*, or either of them and securities so assigned will be treated as though the words or either of them do not appear in the assignments. The taxpayer identifying number of any of the joint owners may be shown on securities registered in joint ownership form.

(i) *With right of survivorship*. In the names of two or more individuals with right of survivorship. Examples:

John A. Doe (123-45-6789) or Mrs. Mary C. Doe or the survivor.

John A. Doe (123-45-6789) or Mrs. Mary C. Doe or Miss Mary Ann Doe or the survivors or survivor.

John A. Doe (123-45-6789) or Mrs. Mary C. Doe.

John A. Doe (123-45-6789) and Mrs. Mary C. Doe.

John A. Doe (123-45-6789) and Mrs. Mary C. Doe as joint tenants with right of survivorship and not as tenants in common.

Limited to husband and wife:

John A. Doe (123-45-6789) and Mrs. Mary C. Doe, as tenants by the entireties.

(ii) *Without right of survivorship*. In the names of two or more individuals in such manner as to preclude the right of survivorship. Examples:

John A. Doe (123-45-6789) and William B. Doe as tenants in common.

John A. Jones as natural guardian of Henry B. Jones, a minor, and Robert C. Jones (123-45-6789), without right of survivorship.

Limited to husband and wife:

Charles H. Brown (123-45-6789) and Ann R. Brown, as partners in community.

(b) *Minors and incompetents*—(1) *Natural guardians of minors*. A security may be registered in the name of a natural guardian of a minor for whose estate no legal guardian or similar representative has legally qualified. Example:

Savings Bonds in Coownership Form. The effect of registering Treasury securities to which these regulations apply in the names of two or more persons differs decidedly from registration of savings bonds in coownership form. Savings bonds are virtually redeemable on demand at the option of either co-owner on his signature alone. Transferable Treasury securities are redeemable only at maturity or upon prior call by the Secretary of the Treasury.

John R. Jones as natural guardian of Henry M. Jones, a minor (123-45-6789).

Either parent with whom the minor resides, or if he does not reside with either parent, the person who furnishes his chief support, will be recognized as his natural guardian and will be considered a fiduciary. Registration in the name of a minor in his own right as owner or as joint owner is not authorized. Securities so registered, upon qualification of the natural guardian, will be treated as though registered in the name of the natural guardian in that capacity.

(2) *Custodian under statute authorizing gifts to minors*. A security may be purchased as a gift to a minor under a gifts to minors statute in effect in the State in which either the donor or the minor resides. The security should be registered as provided in the statute, with an identifying reference to the statute if the registration does not clearly identify it. Examples:

William C. Jones, as custodian for John A. Smith, a minor (123-45-6789), under the California Uniform Gifts to Minors Act.

Robert C. Smith, as custodian for Henry L. Brown, a minor (123-45-6789), under the laws of Georgia; Chapter 48-3, Code of Ga. Anno.

(3) *Incompetents not under guardianship*. Registration in the form *John A. Brown, an incompetent (123-45-6789), under voluntary guardianship*, is permitted only on reissue after a voluntary guardian has qualified for the purpose of collecting interest. (See §§ 306.37(c)(2) and 306.57(c)(2)). Otherwise, registration in the name of an incompetent not under legal guardianship is not authorized.

(c) *Executors, administrators, guardians, and similar representatives or fiduciaries*. A security may be registered in the names of legally qualified executors, administrators, guardians, conservators, or similar representatives or fiduciaries of a single estate. The names and capacities of all the representatives or fiduciaries, as shown in their letters of appointment, must be included in the registration and must be followed by an adequate identifying reference to the estate. Examples:

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John Smith, executor of will (or administrator of estate) of Henry J. Jones, deceased (12-3456789).

William C. Jones, guardian (or conservator, etc.) of estate of James D. Brown, a minor (or an incompetent) (123-45-6789).

(d) *Life tenant under will.* A security may be registered in the name of a life tenant followed by an adequate identifying reference to the will. Example:

Anne B. Smith, life tenant under the will of Adam A. Smith, deceased (12-3456789).

The life tenant will be considered a fiduciary.

(e) *Private trust estates.* A security may be registered in the name and title of the trustee or trustees of a single duly constituted private trust, followed by an adequate identifying reference to the authority governing the trust. Examples:

John Jones and Blank Trust Co., Albany, NY, trustees under will of Sarah Jones, deceased (12-3456789).

John Doe and Richard Roe, trustees under agreement with Henry Jones dated February 9, 1970 (12-3456789).

The names of all trustees, in the form used in the trust instrument, must be included in the registration, except as follows:

(1) If there are several trustees designated as a board or authorized to act as a unit, their names should be omitted and the words *Board of Trustees* substituted for the word *trustees*. Example:

Board of Trustees of Blank Co. Retirement Fund, under collective bargaining agreement dated June 30, 1970 (12-3456789).

(2) If the trustees do not constitute a board or otherwise act as a unit, and are either too numerous to be designated in the inscription by names and title, or serve for limited terms, some or all of the names may be omitted. Examples:

John Smith, Henry Jones, et al., trustees under will of Henry J. Smith, deceased (12-3456789).

Trustees under will of Henry J. Smith, deceased (12-3456789).

Trustees of Retirement Fund of Industrial Manufacturing Co., under directors' resolution of June 30, 1950 (12-3456789).

(f) *Private organizations (corporations, unincorporated associations and partnerships).* A security may be registered in

the name of any private corporation, unincorporated association, or partnership, including a nominee, which for purposes of these regulations is treated as the owner. The full legal name of the organization, as set forth in its charter, articles of incorporation, constitution, partnership agreement, or other authority from which its powers are derived, must be included in the registration and may be followed, if desired, by a reference to a particular account or fund, other than a trust fund, in accordance with the rules and examples given below:

(1) *A corporation.* The name of a business, fraternal, religious, or other private corporation must be followed by descriptive words indicating the corporate status unless the term *corporation* or the abbreviation *Inc.* is part of the name or the name is that of a corporation or association organized under Federal law, such as a national bank or Federal savings and loan association. Examples:

Smith Manufacturing Co., a corporation (12-3456789).

The Standard Manufacturing Corp. (12-3456789).

Jones & Brown, Inc.—Depreciation Acct. (12-3456789).

First National Bank of Albemarle (12-3456789).

Abco & Co., Inc., a nominee corporation (12-3456789).

(2) *An unincorporated association.* The name of a lodge, club, labor union, veterans' organization, religious society, or similar self-governing organization which is not incorporated (whether or not it is chartered by or affiliated with a parent organization which is incorporated) must be followed by the words *an unincorporated association*. Examples:

American Legion Post No. —, Department of the D.C., an unincorporated association (12-3456789).

Local Union No. 100, Brotherhood of Locomotive Engineers, an unincorporated association (12-3456789).

Securities should not be registered in the name of an unincorporated association if the legal title to its property in general, or the legal title to the funds with which the securities are to be purchased, is held by trustees. In such a case the securities

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should be registered in the title of the trustees in accordance with paragraph (e) of this section. The term *unincorporated association* should not be used to describe a trust fund, a partnership or a business conducted under a trade name.

(3) *A partnership.* The name of a partnership must be followed by the words *a partnership*. Example:

Smith & Brown, a partnership (12-3456789).
Acme Novelty Co., a limited partnership (12-3456789).
Abco & Co., a nominee partnership (12-3456789).

(g) *States, public bodies, and corporations and public officers.* A security may be registered in the name of a State or county, city, town, village, school district, or other political entity, public body or corporation established by law (including a board, commission, administration, authority or agency) which is the owner or official custodian of public funds, other than trust funds, or in the full legal title of the public officer having custody. Examples:

State of Maine.
Town of Rye, NY.
Maryland State Highway Administration.
Treasurer, City of Springfield, IL.
Treasurer of Rhode Island—State Forestry Fund.

(h) *States, public officers, corporations or bodies as trustees.* A security may be registered in the title of a public officer or in the name of a State or county or a public corporation or public body acting as trustee under express authority of law. An appropriate reference to the statute creating the trust may be included in the registration. Examples:

Insurance Commissioner of Pennsylvania, trustee for benefit of policyholders of Blank Insurance Co. (12-3456789), under Sec. —, Pa. Stats.
Rhode Island Investment Commission, trustee of General Sinking Fund under Ch. 35, Gen. Laws of RI.
State of Colorado in trust for Colorado Surplus Property Agency.

[38 FR 7078, Mar. 15, 1973; 38 FR 8153, Mar. 29, 1973]

§ 306.12 Errors in registration.

If an erroneously inscribed security is received, it should not be altered in any respect, but the Bureau should be furnished full particulars concerning

the error and asked to furnish instructions.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38125, July 15, 1999]

§ 306.13 Nontransferable securities.

Upon authorized reissue, Treasury Bonds, Investment Series B—1975–80, may be registered in the forms set forth in § 306.11.

Subpart C—Transfers, Exchanges and Reissues

§ 306.15 Transfers and exchanges of securities—closed periods.

(a) *General.* The transfer of registered securities should be made by assignment in accordance with subpart F of this part. Transferable registered securities are eligible for denominational exchange. Specific instructions for issuance and delivery of the new securities, signed by the owner or his authorized representative, must accompany the securities presented. (Form PD 3905 or PD 1827, as appropriate, may be used.) Denominational exchanges may be made at any time. Securities presented for transfer must be received by the Bureau not less than 1 full month before the date on which the securities mature or become redeemable pursuant to a call for redemption before maturity. Any security so presented which is received too late to comply with this provision will be accepted for payment only.

(b) *Closing of transfer books.* The transfer books are closed for one full month preceding interest payment dates and call or maturity dates. If the date set for closing of the transfer books falls on Saturday, Sunday, or a legal holiday, the books will be closed as of the close of business on the last business day preceding that date. The books are reopened on the first business day following the date on which interest falls due. Registered securities which have not matured or been called, submitted for transfer, reissue, and coupon securities which have not matured or been called, submitted for exchange for registered securities, which are received during the period the books for that loan are closed, will be processed on or after the date such

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books are reopened. If registered securities are received for transfer, or coupon securities are received for exchange for registered securities, during the time the books are closed for payment of final interest at maturity or call, unless otherwise provided in the offering circular or notice of call, the following action will be taken:

(1) Payment of final interest will be made to the registered owner of record on the date the books were closed.

(2) Payment of principal will be made to the assignee under a proper assignment of the securities.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38125, July 15, 1999]

§ 306.16 Exchanges of registered securities.

No assignments will be required for:

(a) Authorized denominational exchanges of registered securities for like securities in the same names and forms of registration and

(b) Redemption-exchanges, or prefundings, or advance refundings in the same names and forms as appear in the registration or assignments of the securities surrendered.

§ 306.17 Exchanges of registered securities for coupon securities.

Exchanges of registered securities for bearer securities are not permitted.

[64 FR 38126, July 15, 1999]

§ 306.18 Exchanges of coupon securities for registered securities.

Coupon securities presented for exchange for registered securities should have all matured interest coupons detached. All unmatured coupons should be attached, except that if presented when the transfer books are closed (in which case the exchange will be effected on or after the date on which the books are reopened), the next maturing coupons should be detached and held for collection in ordinary course when due. If any coupons which should be attached are missing, the securities must be accompanied by a remittance in an amount equal to the face amount of the missing coupons. The new registered securities will bear interest from the interest payment date next

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preceding the date on which the exchange is made.

§ 306.19 Denominational exchanges of coupon securities.

Denominational exchanges of bearer securities are not permitted.

[64 FR 38126, July 15, 1999]

§ 306.20 Reissue of registered transferable securities.

Assignments are not required for reissue of registered transferable securities in the name(s) of:

(a) The surviving joint owner(s) of securities registered in the names of or assigned to two or more persons, unless the registration or assignment includes words which preclude the right of survivorship,

(b) A succeeding fiduciary or other lawful successor,

(c) A remainderman, upon termination of a life estate,

(d) An individual, corporation or unincorporated association whose name has been legally changed,

(e) A corporation or unincorporated association which is the lawful successor to another corporation or unincorporated association, and

(f) A successor in title to a public officer or body.

Evidence of survivorship, succession, or change of name, as appropriate, must be furnished. The appropriate taxpayer identifying number also must be furnished if the registration of the securities submitted does not include such number for the person or organization to be named on the reissued securities.

§ 306.21 Reissue of nontransferable securities.

Treasury Bonds, Investment Series B—1975-80, may be reissued only in the names of:

(a) Lawful successors in title,

(b) The legal representatives or distributees of a deceased owner's estate, or the distributees of a trust estate, and

(c) State supervisory authorities in pursuance of any pledge required of the owner under State law, or upon termination of the pledge in the names of the pledgors or their successors.

Bonds presented for reissue must be accompanied by evidence of entitlement.

§ 306.22 Exchange of Treasury Bonds, Investment Series B-1975-80.

Bonds of this series presented for exchange for 1½ percent 5-year Treasury notes must bear duly executed assignments to "The Secretary of the Treasury for exchange for the current series of EA or EO Treasury notes to be delivered to (inserting the name and address of the person to whom the notes are to be delivered)." The notes will bear the April 1 or October 1 date next preceding the date the bonds, duly assigned with supporting evidence, if necessary, are received by the Bureau or a Federal Reserve Bank or Branch. Interest accrued at the rate of 2¾ percent on the bonds surrendered from the next preceding interest payment date to the date of exchange will be credited, and interest at the rate of 1½ percent on the notes for the same period will be charged and the difference will be paid to the owner.

§ 306.23 Securities eligible to be held in the TREASURY DIRECT Book-entry Securities System.

(a) *Eligible issues.* The Secretary will, from time to time, cause to be published in the FEDERAL REGISTER a notice describing those series of Treasury issues of bonds and notes issued before August 1, 1986, that will be eligible for conversion to the TREASURY DIRECT Book-entry Securities System. The notice shall specify the period during which requests for conversion will be accepted.

(b) *Establishment of TREASURY DIRECT account.* To convert a bearer or registered security to book-entry form to be held in TREASURY DIRECT, the owner(s) must establish at the time of conversion, or prior thereto, an account in TREASURY DIRECT in accordance with § 357.20 of part 357. Similarly, to transfer to TREASURY DIRECT a security held in book-entry form under subpart O of this part, the owner(s) must establish at the time of transfer, or prior thereto, an account in TREASURY DIRECT in accordance with § 357.20 of part 357.

(c) *Procedure for conversion of bearer security.* To convert a bearer security

to TREASURY DIRECT, the owner must present it to the Department of the Treasury, accompanied by a request for conversion, which must include the information needed for establishing a *TREASURY DIRECT* account, unless such account has been previously established, and is identified by its number in the request.

(d) *Procedures for conversion of registered security.* To convert a registered security to TREASURY DIRECT, the owner(s) thereof must execute an assignment in accordance with subpart F of this part. The assignment must be in substantially the following form: "To the Secretary of the Treasury for conversion to book-entry and deposit in TREASURY DIRECT,". The security should be accompanied by the information needed for establishing the TREASURY DIRECT account, or where an account has been previously established, the above assignment should be reworded to include the account number.

(e) *Procedure for transfer of book-entry security held under subpart O.* To transfer a book-entry security held under subpart O of this part, the owner(s) must arrange with the bank or other entity where the security is being held to transfer the same to TREASURY DIRECT. No such transfer will be accepted unless a TREASURY DIRECT account has previously been established and the number thereof is shown in the transfer request.

(f) *Terms and conditions of securities held in TREASURY DIRECT.* An eligible security held in TREASURY DIRECT shall be subject to subpart C and other applicable portions of part 357, and the provisions of part 306 shall not apply thereto.

(g) *Re-conversion from TREASURY DIRECT to registered form or to book-entry under subpart O.* The owner(s) of a security converted or transferred to TREASURY DIRECT in the manner herein provided may, by executing an appropriate transaction request, transfer the book-entry security to a book-entry account held under the provisions of subpart O of this part. Thereafter, to the extent that the security was originally eligible for such conversion the book-entry security held under subpart O may be converted to

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one in registered form. Securities transferred from TREASURY DIRECT under this subsection shall be thereupon subject to the provisions of part 306, and part 357 shall no longer apply thereto.

[53 FR 15554, May 2, 1988, as amended at 64 FR 38126, July 15, 1999]

§ 306.24 Collection of fees on definitive securities.

A fee shall be charged for each registered security, as defined in § 306.115 (a), issued as a result of a transfer, exchange, reissue, withdrawal from book-entry, or the granting of relief on account of loss, theft, destruction, mutilation, or defacement. The applicable fee, and the basis for its determination, will be published by notice in the FEDERAL REGISTER.

[60 FR 4377, Jan. 23, 1995, as amended at 64 FR 38126, July 15, 1999]

Subpart D—Redemption or Payment

§ 306.25 Presentation and surrender.

(a) *General.* Securities, whether in registered or bearer form, are payable in regular course of business at maturity unless called for redemption before maturity in accordance with their terms, in which case they will be payable in regular course of business on the date of call. The Secretary of the Treasury may provide for the exchange of maturing or called securities, or in advance of call or maturity, may afford owners the opportunity of exchanging a security for another security pursuant to a prerefunding or an advance refunding offer. Registered and bearer securities should be presented and surrendered for redemption to the Bureau. No assignments or evidence in support of assignments will be required by or on behalf of the registered owner or assignee for redemption for his or its account, or for redemption-exchange, or exchange pursuant to a prerefunding or an advance refunding offer, if the new securities are to be registered in exactly the same names and forms as appear in the registrations or assignments of the securities surrendered. To the extent appropriate, these rules also apply to securities registered in the

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title of public officers who are official custodians of public funds.

(b) “*Overdue*” securities. If a bearer security or a registered security assigned in blank, or to bearer, or so assigned as to become in effect payable to bearer, is presented and surrendered for redemption after it has become overdue, the Secretary of the Treasury will ordinarily require satisfactory proof of ownership. (Form PD 1071 may be used.) A security shall be considered to be overdue after the lapse of the following periods of time from its face maturity:

(1) One month for securities issued for a term of 1 year or less.

(2) Three months for securities issued for a term of more than 1 year but not in excess of 7 years.

(3) Six months for securities issued for a term of more than 7 years.

[38 FR 7078, Mar. 15, 1973; 38 FR 8432, Apr. 2, 1973, as amended by 64 FR 38126, July 15, 1999]

§ 306.26 Redemption of registered securities at maturity, upon prior call, or for prerefunding or advance refunding.

Registered securities presented and surrendered for redemption at maturity or pursuant to a call for redemption before maturity need not be assigned, unless the owner desires that payment be made to some other person, in which case assignments should be made to “The Secretary of the Treasury for redemption for the account of (inserting name and address of person to whom payment is to be made). Specific instructions for the issuance and delivery of the redemption check, signed by the owner or his authorized representative, must accompany the securities, unless included in the assignment. (Form PD 3905 may be used.) Payment of the principal will be made by check drawn on the United States Treasury to the order of the persons entitled and mailed in accordance with the instructions received. Securities presented for prerefunding or advance refunding should be assigned as provided in the prerefunding or advance refunding offer.

[64 FR 38126, July 15, 1999]

§ 306.27 Redemption of bearer securities at maturity, upon prior call, or for advance refunding or prerefunding.

All interest coupons due and payable on or before the date of maturity or date fixed in the call for redemption before maturity should be detached from coupon securities presented for redemption and should be collected separately in regular course. All coupons bearing dates subsequent to the date fixed in a call for redemption, or offer of prerefunding or advance refunding, should be left attached to the securities. If any such coupons are missing, the full face amount thereof will be deducted from the payment to be made upon redemption or the prerefunding or advance refunding adjustment unless satisfactory evidence of their destruction is submitted. Any amounts so deducted will be held in the Department to provide for adjustments or refunds in the event it should be determined that the missing coupons were subsequently presented or their destruction is later satisfactorily established. In the absence of other instructions, payment or bearer securities will be made by check drawn to the order of the person presenting and surrendering the securities and mailed to him at his address, as given in the advice accompanying the securities. (Form PD 3905 may be used.) Under appropriate circumstances, payment to a financial institution for detached past due coupons may be made by crediting the amount of the proceeds to the account maintained by the financial institution at the Federal Reserve bank of its district.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38126, July 15, 1999]

Subpart E—Interest

§ 306.35 Computation of interest.

The interest on Treasury securities accrues and is payable on a semiannual basis unless otherwise provided in the circular offering them for sale or exchange. If the period of accrual is an exact 6 months, the interest accrual is an exact one-half year's interest without regard to the number of days in the period. If the period of accrual is less

than an exact 6 months, the accrued interest is computed by determining the daily rate of accrual on the basis of the exact number of days in the full interest period and multiplying the daily rate by the exact number of days in the fractional period for which interest has actually accrued. A full interest period does not include the day as of which securities were issued or the day on which the last preceding interest became due, but does include the day on which the next succeeding interest payment is due. A fractional part of an interest period does not include the day as of which the securities were issued or the day on which the last preceding interest payment became due, but does include the day as of which the transaction terminating the accrual of interest is effected. The 29th of February in a leap year is included whenever it falls within either a full interest period or a fractional part thereof.⁷

§ 306.36 Termination of interest.

Securities will cease to bear interest on the date of their maturity unless they have been called for redemption before maturity in accordance with their terms, or are presented and surrendered for redemption-exchange or exchange pursuant to an advance refunding or prerefunding offer, in which case they will cease to bear interest on the date of call, or the exchange date, as the case may be.

§ 306.37 Interest on registered securities.

(a) *Method of payment.* The interest on registered securities is payable by checks drawn on the United States Treasury to the order of the registered owners, except as otherwise provided herein. Interest checks are prepared by the Department in advance of the interest payment data and are ordinarily mailed in time to reach the addresses

⁷The appendix to this subpart contains a complete explanation of the method of computing interest on a semiannual basis on Treasury bonds, notes, and certificates of indebtedness, and an outline of the method of computing the discount rates on Treasury bills. Also included are tables of computation of interest on semiannual and annual basis.

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on that date. Interest on a registered security which has not matured or been called and which is presented for any transaction during the period the books for that loan are closed will be paid by check drawn to the order of the registered owner of record. Upon receipt of notice of the death or incompetency of an individual named as registered owner, a change in the name or in the status of a partnership, corporation, or unincorporated association, the removal, resignation, succession, or death of a fiduciary or trustee, delivery of interest checks will be withheld pending receipt and approval of evidence showing who is entitled to receive the interest checks. If the inscriptions on securities do not clearly identify the owners, delivery of interest checks will be withheld pending reissue of the securities in the correct registration. The final installment of interest, unless otherwise provided in the offering circular or notice of call, will be paid by check drawn to the order of the registered owner of record and mailed in advance of the interest payment date in time to reach the addressee on or about that date. Interest on securities presented for prerefunding or advance refunding will be adjusted as provided in the prerefunding or advance refunding offer.

(b) *Change of address.* To assure timely delivery of interest checks, owners should promptly notify the Bureau of any change of address. (Form PD 345 may be used.) The notification must be signed by the registered owner or a joint owner or an authorized representative, and should show the owner's taxpayer identifying number, the old and new addresses, the serial number and denomination of each security, the titles of the securities (for example: 4¼ percent Treasury Bonds of 1987-92, dated August 15, 1962), and the registration of each security. Notifications by attorneys in fact, trustees, or by the legal representatives of the estates of deceased, incompetent, or minor owners should be supported by proof of their authority, unless, in the case of trustees or legal representatives, they are named in the registration.

(c) *Collection of interest checks*—(1) *General.* Interest checks may be col-

lected in accordance with the regulations governing the endorsement and payment of Government warrants and checks, which are contained in the current revision of Department Circular No. 21 (part 240 of this chapter).

(2) *By voluntary guardians of incompetents.* Interest checks drawn to the order of a person who has become incompetent and for whose estate no legal guardian or similar representative has been appointed should be returned to the Bureau with a full explanation of the circumstances. For collection of interest, the Department will recognize the relative responsible for the incompetent's care and support or some other person as voluntary guardian for the incompetent. (Application may be made on Form PD 1461.)

(d) *Nonreceipt, loss, theft, or destruction of interest checks.* If an interest check is not received within a reasonable period after an interest payment date, or if a check is lost, stolen, or destroyed after receipt, notification should be sent to the Bureau of the Public Debt, Division of Customer Service, Parkersburg, WV 26102. Notification should include the name and address of the owner, his taxpayer identifying number, and the serial number, denomination, and title of the security upon which the interest was payable. If the check is subsequently received or recovered, the Bureau should be notified.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38126, July 15, 1999]

§ 306.38 Interest on bearer securities.

Unless the offering circular and notice of call provide otherwise, interest on coupon securities is payable in regular course of business upon presentation and surrender of the interest coupons as they mature. Such coupons are payable at participating Federal Reserve banks or by the Bureau.⁸ Interest on Treasury bills, and any other bearer securities which may be sold and issued on a discount basis and which are payable at par at maturity,

⁸Banking institutions will usually cash the coupons without charge as an accommodation to their customers.

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is represented by the difference between the purchase price and the par value, and no coupons are attached.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38126, July 15, 1999]

**APPENDIX TO SUBPART E TO PART 306—
INTEREST—COMPUTATION OF INTEREST ON TREASURY BONDS, TREASURY NOTES, AND TREASURY CERTIFICATES OF INDEBTEDNESS, AND COMPUTATION OF DISCOUNT ON TREASURY BILLS—
INTEREST TABLES**

COMPUTATION OF INTEREST ON ANNUAL BASIS

One Day's Interest is $\frac{1}{365}$ or $\frac{1}{366}$ of 1-Year's Interest

Computation of interest on Treasury bonds, notes, and certificates of indebtedness will be made on an annual basis in all cases where interest is payable in one amount for the full term of the security, unless such term is an exact half-year (6 months), and it is provided that interest shall be computed on a semi-annual basis.

If the term of the securities is exactly 1 year, the interest is computed for the full period at the specified rate regardless of the number of days in such period.

If the term of the securities is less than 1 full year, the annual interest period for purposes of computation is considered to be the full year from but not including the date of issue to and including the anniversary of such date.

If the term of the securities is more than 1 full year, computation is made on the basis of one full annual interest period, ending with the maturity date, and a fractional part of the preceding full annual interest period.

The computation of interest for any fractional part of an annual interest period is made on the basis of 365 actual days in such period, or 366 days if February 29 falls within such annual period.

COMPUTATION OF INTEREST ON SEMIANNUAL BASIS

ONE DAY'S INTEREST IS $\frac{1}{181}$, $\frac{1}{182}$, $\frac{1}{183}$ OR $\frac{1}{184}$ OR $\frac{1}{2}$ YEAR'S INTEREST

Computation of interest on Treasury bonds, notes, and certificates of indebtedness will be made on a semiannual basis in all cases where interest is payable for one or more full half-year (6 months) periods, or for one or more full half-year periods and a fractional part of a half-year period. A semi-annual interest period is an exact half-year or 6 months, for computation purposes, and may comprise 181, 182, 183 or 184 actual days.

An exact half-year's interest at the specified rate is computed for each full period of exactly 6 months, irrespective of the actual number of days in the half-year.

If the initial interest covers a fractional part of a half-year, computation is made on the basis of the actual number of days in the half-year (exactly 6 months) ending on the day such initial interest becomes due. If the initial interest covers a period in excess of 6 months, computation is made on the basis of one full half-year, ending with the interest due date, and a fractional part of the preceding full half-year period.

Interest for any fractional part of a full half-year period is computed on the basis of the exact number of days in the full period, including February 29 whenever it falls within such a period.

The number of days in any half-year period is shown in the following table:

FOR THE HALF-YEAR

Interest period	Beginning and ending days are 1st or 15th of months listed under interest period (number of days)		Beginning and ending days are last days of months listed under interest period (number of days)	
	Regular year	Leap year	Regular year	Leap year
January to July	181	182	181	182
February to August	181	182	184	184
March to September	184	184	183	183
April to October	183	183	184	184
May to November	184	184	183	183
June to December	183	183	184	184
July to January	184	184	184	184
August to February	184	184	181	182
September to March	181	182	182	183
October to April	182	183	181	182
November to May	181	182	182	183
December to June	182	183	181	182
1 year (any 2 consecutive half-years)	365	366	365	366

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The following are dates for end-of-the-month interest computations.

When interest period ends on—	Interest-computation period will be from but will not include—
January 31	July 31.
February 28 in 365-day year..	August 31.
February 29	Do.
March 30, 31	September 30.
April 30	October 31.
May 30, 31	November 30.
June 30	December 31.
July 31	January 31.
August 29, 30, or 31	February 28 in 365-day year. February 29 in leap year.
September 30	March 31.
October 30, 31	April 30.
November 30	May 31.
December 30, 31	June 30.

USE OF INTEREST TABLES

In the appended tables decimals are set forth for use in computing interest for fractional parts of interest periods. The decimals cover interest on \$1,000 for 1 day in each possible semiannual (Table I), and annual (Table II) interest period, at all rates of interest, in steps of 1/8 percent, from 1/8 to 9 percent. The amount of interest accruing on any date (for a fractional part of an interest period) on \$1,000 face amount of any issue of Treasury bonds, Treasury notes, or Treasury certificates of indebtedness may be ascertained in the following way:

(1) The date of issue, the dates for the payment of interest, the basis (semiannual or annual) upon which interest is computed, and the rate of interest (percent per annum) may be determined from the text of the security, or from the official circular governing the issue.

(2) Determine the interest period of which the fraction is a part, and calculate the number of days in the full period to determine the proper column to be used in selecting the decimal for 1 day's interest.

(3) Calculate the actual number of days in the fractional period from but not including the date of issue or the day on which the last preceding interest payment was made, to and including the day on which the next succeeding interest payment is due or the day as of which the transaction which terminates the accrual of additional interest is effected.

(4) Multiply the appropriate decimal (1 day's interest on \$1,000) by the number of days in the fractional part of the interest period. The appropriate decimal will be found in the appended table for interest payable semiannually or annually, as the case may be, opposite the rate borne by the security, and in the column showing the full interest period of which the fractional period is a part. (For interest on any other amount, multiply the amount of interest on \$1,000 by

the other amount expressed as a decimal of \$1,000.)

TREASURY

The methods of computing discount rates on U.S. Treasury bills are given below:

Computation will be made on an annual basis in all cases. The annual period for bank discount is a year of 360 days, and all computations of such discount will be made on that basis. The annual period for true discount is 1 full year from but not including the date of issue to and including the anniversary of such date. Computation of true discount for a fractional part of a year will be made on the basis of 365 days in the year, or 366 days if February 29 falls within the year.

BANK DISCOUNT

The bank discount rate on a Treasury bill may be ascertained by: (1) Subtracting the sale price of the bill from its face value to obtain the amount of discount; (2) dividing the amount of discount by the number of days the bill is to run to obtain the amount of discount per day; (3) multiplying the amount of discount per day by 360 (the number of days in a commercial year of 12 months of 30 days each) to obtain the amount of discount per year; and (4) dividing the amount of discount per year by the face value of the bill to obtain the bank discount rate.

For example:

91-day bill:

Principal amount—maturity value	\$100.00
Price at issue—amount received	99.50
Amount of discount .....	.50

$\$0.50 \div 91 \times 360 \div \$100 = .01978$ or 1.978 percent

TRUE DISCOUNT

The true discount rate on a Treasury bill of not more than one-half year in length may be ascertained by (1 and 2) obtaining the amount of discount per day by following the first two steps described under "Bank Discount"; (3) multiplying the amount of discount per day by the actual number of days in the year from date of issue (365 ordinarily, but 366 if February 29 falls within the year from date of issue) to obtain the amount of discount per year; and (4) dividing the amount of discount per year by the sale price of the bill to obtain the true discount rate.

For example:

91-day bill:

Principal amount—maturity value	\$100.00
Price at issue—amount received	99.50
Amount of discount .....	.50

$\$0.50 \div 91 \times 365 \div \$99.50 = .02016$ or 2.016 percent

TABLE I—DECIMAL FOR 1 DAY'S INTEREST ON \$1,000 AT VARIOUS RATES OF INTEREST, PAYABLE SEMIANNUALLY OR ON A SEMIANNUAL BASIS, IN REGULAR YEARS OF 365 DAYS AND IN LEAP YEARS OF 366 DAYS (TO DETERMINE APPLICABLE NUMBER OF DAYS, SEE "COMPUTATION OF INTEREST ON SEMIANNUAL BASIS")

Rate per annum (percent)	Half-year of 184 days	Half-year of 183 days	Half-year of 182 days	Half-year of 181 days
1/8	\$0.003 396 739	\$0.003 415 301	\$0.003 434 066	\$0.003 453 039
1/4	.006 793 478	.006 830 601	.006 868 132	.006 906 077
3/8	.010 190 217	.010 245 902	.010 302 198	.010 359 116
1/2	.013 586 957	.013 661 202	.013 736 264	.013 812 155
5/8	.016 983 696	.017 076 503	.017 170 330	.017 265 193
3/4	.020 380 435	.020 491 803	.020 604 396	.020 718 232
7/8	.023 777 174	.023 907 104	.024 038 462	.024 171 271
1	.027 173 913	.027 322 404	.027 472 527	.027 624 309
1 1/8	.030 570 652	.030 737 705	.030 906 593	.031 077 348
1 1/4	.033 967 391	.034 153 005	.034 340 659	.034 530 387
1 3/8	.037 364 130	.037 568 306	.037 774 725	.037 983 425
1 1/2	.040 760 870	.040 983 607	.041 208 791	.041 436 464
1 5/8	.044 157 609	.044 398 907	.044 642 857	.044 889 503
1 3/4	.047 554 348	.047 814 208	.048 076 923	.048 342 541
1 7/8	.050 951 087	.051 229 508	.051 510 989	.051 795 580
2	.054 347 826	.054 644 809	.054 945 055	.055 248 619
2 1/8	.057 744 565	.058 060 109	.058 379 121	.058 701 657
2 1/4	.061 141 304	.061 475 410	.061 813 187	.062 154 696
2 3/8	.064 538 043	.064 890 710	.065 247 253	.065 607 735
2 1/2	.067 934 783	.068 306 011	.068 681 319	.069 060 773
2 5/8	.071 331 522	.071 721 311	.072 115 385	.072 513 812
2 3/4	.074 728 261	.075 136 612	.075 549 451	.075 966 851
2 7/8	.078 125 000	.078 551 913	.078 983 516	.079 419 890
3	.081 521 739	.081 967 213	.082 417 582	.082 872 928
3 1/8	.084 918 478	.085 382 514	.085 851 648	.086 325 967
3 1/4	.088 315 217	.088 797 814	.089 285 714	.089 779 006
3 3/8	.091 711 957	.092 213 115	.092 719 780	.093 232 044
3 1/2	.095 108 696	.095 628 415	.096 153 846	.096 685 083
3 5/8	.098 505 435	.099 043 716	.099 021 978	.100 138 122
3 3/4	.101 902 174	.102 459 016	.103 021 978	.103 591 160
3 7/8	.105 298 913	.105 874 317	.106 456 044	.107 044 190
4	.108 695 652	.109 289 617	.109 890 110	.110 497 238
4 1/8	.112 092 391	.112 704 918	.113 324 176	.113 950 236
4 1/4	.115 489 130	.116 120 219	.116 758 242	.117 403 375
4 3/8	.118 885 870	.119 535 519	.120 192 308	.120 856 317
4 1/2	.122 282 609	.122 950 820	.123 626 374	.124 309 394
4 5/8	.125 679 348	.126 366 120	.127 060 440	.127 762 432
4 3/4	.129 076 087	.129 781 421	.130 494 505	.131 215 471
4 7/8	.132 472 826	.133 196 721	.133 928 571	.134 668 500
5	.135 869 565	.136 612 022	.137 362 637	.138 121 548
5 1/8	.139 266 304	.140 027 322	.140 796 703	.141 574 586
5 1/4	.142 663 043	.143 442 623	.144 230 769	.145 027 624
5 3/8	.146 059 783	.146 857 923	.147 664 835	.148 480 663
5 1/2	.149 456 522	.150 273 224	.151 098 901	.151 933 702
5 5/8	.152 853 261	.153 688 525	.154 532 967	.155 386 748
5 3/4	.156 250 000	.157 103 825	.157 967 033	.158 839 706
5 7/8	.159 646 739	.160 519 126	.161 401 099	.162 292 876
6	.163 043 478	.163 934 426	.164 835 165	.165 745 856
6 1/8	.166 440 217	.167 349 727	.168 269 231	.169 198 895
6 1/4	.169 836 957	.170 765 027	.171 703 297	.172 651 934
6 3/8	.173 233 696	.174 180 328	.175 137 363	.176 104 972
6 1/2	.176 630 435	.177 595 628	.178 571 429	.179 558 011
6 5/8	.180 027 174	.181 010 929	.182 005 495	.183 011 050
6 3/4	.183 423 913	.184 426 230	.185 439 560	.186 464 088
6 7/8	.186 820 652	.187 841 530	.188 873 626	.189 917 127
7	.190 217 391	.191 256 831	.192 307 692	.193 370 166
7 1/8	.193 614 130	.194 672 131	.195 741 758	.196 823 204
7 1/4	.197 010 870	.198 087 432	.199 175 824	.200 276 243
7 3/8	.200 407 609	.201 502 732	.202 609 890	.203 729 282
7 1/2	.203 804 348	.204 918 033	.206 043 956	.207 182 320
7 5/8	.207 201 087	.208 333 333	.209 478 022	.210 635 359
7 3/4	.210 597 826	.211 748 634	.212 912 088	.214 088 398
7 7/8	.213 994 565	.215 163 934	.216 346 154	.217 541 436
8	.217 391 304	.218 579 235	.219 780 220	.220 994 475
8 1/8	.220 788 043	.221 994 536	.223 214 286	.224 447 514
8 1/4	.224 184 783	.225 409 836	.226 648 352	.227 900 552
8 3/8	.227 581 522	.228 825 137	.230 082 418	.231 353 591

TABLE I—DECIMAL FOR 1 DAY'S INTEREST ON \$1,000 AT VARIOUS RATES OF INTEREST, PAYABLE SEMIANNUALLY OR ON A SEMIANNUAL BASIS, IN REGULAR YEARS OF 365 DAYS AND IN LEAP YEARS OF 366 DAYS (TO DETERMINE APPLICABLE NUMBER OF DAYS, SEE "COMPUTATION OF INTEREST ON SEMIANNUAL BASIS")—Continued

Rate per annum (percent)	Half-year of 184 days	Half-year of 183 days	Half-year of 182 days	Half-year of 181 days
8½	.230 978 261	.232 240 437	.233 516 484	.234 806 630
8⅝	.234 375 000	.235 655 738	.236 950 549	.238 259 669
8¾	.237 771 739	.239 071 038	.240 384 615	.241 712 707
8⅞	.241 168 478	.242 486 339	.243 818 681	.245 165 746
9	.244 565 217	.245 901 639	.247 252 747	.248 618 785
9⅛	.247 961 957	.249 316 940	.250 686 813	.252 071 823
9¼	.251 358 696	.252 732 240	.254 120 879	.255 524 862
9⅜	.254 755 435	.256 147 541	.257 554 945	.258 977 901
9½	.258 152 174	.259 562 842	.260 989 011	.262 430 939
9⅝	.261 548 913	.262 978 142	.264 423 077	.265 883 978
9¾	.264 945 652	.266 393 443	.267 857 143	.269 337 017
9⅞	.268 342 391	.269 808 743	.271 291 209	.272 790 055
10	.271 739 130	.273 224 044	.274 725 275	.276 243 094
10⅛	.275 135 870	.276 639 344	.278 159 341	.279 696 133
10¼	.278 532 609	.280 054 645	.281 593 407	.283 149 171
10⅜	.281 929 348	.283 469 945	.285 027 473	.286 602 210
10½	.285 326 087	.286 885 246	.288 461 538	.290 055 249
10⅝	.288 722 826	.290 300 546	.291 895 604	.293 508 287
10¾	.292 119 565	.293 715 847	.295 329 670	.296 961 326
10⅞	.295 516 304	.297 131 148	.298 763 736	.300 414 365
11	.298 913 043	.300 546 448	.302 197 802	.303 867 403
11⅛	.302 309 783	.303 961 749	.305 631 868	.307 320 442
11¼	.305 706 522	.307 377 049	.309 065 934	.310 773 481
11⅜	.309 103 261	.310 792 350	.312 500 000	.314 226 519
11½	.312 500 000	.314 207 650	.315 934 066	.317 679 558
11⅝	.315 896 739	.317 622 951	.319 368 132	.321 132 597
11¾	.319 293 478	.321 038 251	.322 802 198	.324 585 635
11⅞	.322 690 217	.324 453 552	.326 236 264	.328 038 674
12	.326 086 957	.327 868 852	.329 670 330	.331 491 713

TABLE II—DECIMAL FOR 1 DAY'S INTEREST ON \$1,000 AT VARIOUS RATES OF INTEREST, PAYABLE ANNUALLY OR ON AN ANNUAL BASIS, IN REGULAR YEARS OF 365 DAYS AND IN LEAP YEARS OF 366 DAYS

Rate per annum (percent)	Regular year, 365 days	Leap year, 366 days
⅛	\$0.003 424 658	\$0.003 415 301
¼	.006 849 315	.006 830 601
⅓	.010 273 973	.010 245 902
½	.013 698 630	.013 661 202
⅝	.017 123 288	.017 076 503
¾	.020 547 945	.020 491 803
⅞	.023 972 603	.023 907 104
1	.027 397 260	.027 322 404
1⅛	.030 821 918	.030 737 705
1¼	.034 246 575	.034 153 005
1⅓	.037 671 233	.037 568 306
1½	.041 095 890	.040 983 607
1⅝	.044 520 548	.044 398 907
1¾	.047 945 205	.047 814 208
1⅞	.051 369 863	.051 229 508
2	.054 794 521	.054 644 809
2⅛	.058 219 178	.058 060 109
2¼	.061 643 836	.061 475 410
2⅓	.065 068 493	.064 890 710
2½	.068 493 151	.068 306 011
2⅝	.071 917 808	.071 721 311
2¾	.075 342 466	.075 136 612
2⅞	.078 767 123	.078 551 913
3	.082 191 781	.081 967 213
3⅛	.085 616 438	.085 382 514
3¼	.089 041 096	.088 797 814
3⅓	.092 465 753	.092 213 115

TABLE II—DECIMAL FOR 1 DAY'S INTEREST ON \$1,000 AT VARIOUS RATES OF INTEREST, PAYABLE ANNUALLY OR ON AN ANNUAL BASIS, IN REGULAR YEARS OF 365 DAYS AND IN LEAP YEARS OF 366 DAYS—Continued

Rate per annum (percent)	Regular year, 365 days	Leap year, 366 days
3½	.095 890 411	.095 628 415
3⅝	.099 315 068	.099 043 716
3¾	.102 739 726	.102 459 016
3⅞	.106 164 384	.105 874 317
4	.109 589 041	.109 289 617
4⅛	.113 013 699	.112 704 918
4¼	.116 438 356	.116 120 219
4⅓	.119 863 014	.119 535 519
4½	.123 287 671	.122 950 820
4⅝	.126 712 329	.126 366 120
4¾	.130 136 986	.129 781 421
4⅞	.133 561 644	.133 196 721
5	.136 986 301	.136 612 022
5⅛	.140 410 959	.140 027 322
5¼	.143 835 616	.143 442 623
5⅓	.147 260 274	.146 857 923
5½	.150 684 932	.150 273 224
5⅝	.154 109 589	.153 688 525
5¾	.157 534 247	.157 103 825
5⅞	.160 958 904	.160 519 126
6	.164 383 562	.163 934 426
6⅛	.167 808 219	.167 349 727
6¼	.171 232 877	.170 765 027
6⅓	.174 657 534	.174 180 328
6½	.178 082 192	.177 595 628
6⅝	.181 506 849	.181 010 929
6¾	.184 931 507	.184 426 230

TABLE II—DECIMAL FOR 1 DAY'S INTEREST ON \$1,000 AT VARIOUS RATES OF INTEREST, PAYABLE ANNUALLY OR ON AN ANNUAL BASIS, IN REGULAR YEARS OF 365 DAYS AND IN LEAP YEARS OF 366 DAYS—Continued

Rate per annum (percent)	Regular year, 365 days	Leap year, 366 days
6 7/8 .....	.188 356 164	.187 841 530
7 .....	.191 780 822	.191 256 831
7 1/8 .....	.195 205 479	.194 672 131
7 1/4 .....	.198 630 137	.198 087 432
7 3/8 .....	.202 054 795	.201 502 732
7 1/2 .....	.205 479 452	.204 918 033
7 5/8 .....	.208 904 110	.208 333 333
7 3/4 .....	.212 328 767	.211 748 634
7 7/8 .....	.215 753 425	.215 163 934
8 .....	.219 178 082	.218 579 235
8 1/8 .....	.222 602 740	.221 994 536
8 1/4 .....	.226 027 397	.225 409 836
8 3/8 .....	.229 452 055	.228 825 137
8 1/2 .....	.232 876 712	.232 240 437
8 5/8 .....	.236 301 370	.235 655 738
8 3/4 .....	.239 726 027	.239 071 038
8 7/8 .....	.243 150 685	.242 486 339
9 .....	.246 575 342	.245 901 639
9 1/8 .....	.250 000 000	.249 316 940
9 1/4 .....	.253 424 658	.252 732 240
9 3/8 .....	.256 849 315	.256 147 541
9 1/2 .....	.260 273 973	.259 562 842
9 5/8 .....	.263 698 630	.262 978 142
9 3/4 .....	.267 123 288	.266 393 443
9 7/8 .....	.270 547 945	.269 808 743
10 .....	.273 972 603	.273 224 044
10 1/8 .....	.277 397 260	.276 639 344
10 1/4 .....	.280 821 918	.280 054 645
10 3/8 .....	.284 246 575	.283 469 945
10 1/2 .....	.287 671 233	.286 885 246
10 5/8 .....	.291 095 890	.290 300 546
10 3/4 .....	.294 520 548	.293 715 847
10 7/8 .....	.297 945 205	.297 131 148
11 .....	.301 369 863	.300 546 448
11 1/8 .....	.304 794 521	.303 961 749
11 1/4 .....	.308 219 178	.307 377 049
11 3/8 .....	.311 643 836	.310 792 350
11 1/2 .....	.315 068 493	.314 207 650
11 5/8 .....	.318 493 151	.317 622 951
11 3/4 .....	.321 917 808	.321 038 251
11 7/8 .....	.325 342 466	.324 453 552
12 .....	.328 767 123	.327 868 852

[38 FR 7078, Mar. 15, 1973; 38 FR 8153, Mar. 29, 1973; 38 FR 10004, Apr. 23, 1973, as amended at 44 FR 34125, June 14, 1979]

Subpart F—Assignments of Registered Securities—General

§ 306.40 Execution of assignments.

The assignment of a registered security should be executed by the owner, or his or her authorized representative, in the presence of an individual authorized to certify assignments. All assignments must be made on the backs of the securities, unless otherwise authorized by the Bureau. An assignment by mark (X) must be witnessed not only

by a certifying individual, but also by at least one other person, who should add an endorsement substantially as follows: "Witness to signature by mark," followed by the witness' signature and address.

[59 FR 59036, Nov. 15, 1994, as amended by 64 FR 38126, July 15, 1999]

§ 306.41 Form of assignment.

Registered securities may be assigned in blank, to bearer, to a specified transferee, or to the Secretary of the Treasury for redemption or for exchange for other securities offered at maturity, upon call or pursuant to an advance refunding or prerefunding offer. Assignments to "The Secretary of the Treasury," "The Secretary of the Treasury for transfer," or "The Secretary of the Treasury for exchange" will not be accepted unless supplemented by specific instructions by or in behalf of the owner.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38126, July 15, 1999]

§ 306.42 Alterations and erasures.

If an alteration or erasure has been made in an assignment, the assignor should appear before an authorized certifying officer and execute a new assignment to the same assignee. If the new assignment is to other than the assignee whose name has been altered or erased, a disclaimer from the first-named assignee should be obtained. Otherwise, an affidavit of explanation by the person responsible for the alteration or erasure should be submitted for consideration.

§ 306.43 Voidance of assignments.

An assignment of a security to or for the account of another person, not completed by delivery, may be voided by a disclaimer of interest from that person. This disclaimer should be executed in the presence of an officer authorized to certify assignments of securities. Unless otherwise authorized by the Bureau, the disclaimer must be written, typed, or stamped on the back of the security in substantially the following form:

§ 306.44

The undersigned as assignee of this security hereby disclaims any interest herein.

(Signature)

I certify that the above-named person as described, whose identity is well known or proved to me, personally appeared before me the _____ day of _____ (Month and year) at _____ (Place) and signed the above disclaimer of interest.

(SEAL)

(Signature and official designation of certifying officer)

In the absence of a disclaimer, an affidavit or affidavits should be submitted for consideration explaining why a disclaimer cannot be obtained, reciting all other material facts and circumstances relating to the transaction, including whether or not the security was delivered to the person named as assignee and whether or not the affiants know of any basis for the assignee claiming any right, title, or interest in the security. After an assignment has been voided, in order to dispose of the security, an assignment by or on behalf of the owner will be required.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38126, July 15, 1999]

§ 306.44 Discrepancies in names.

The Department will ordinarily require an explanation of discrepancies in the names which appear in inscriptions, assignments, supporting evidence or in the signatures to any assignments. (Form PD 385 may be used for this purpose.) However, where the variations in the name of the registered owner, as inscribed on securities of the same or different issues, are such that both may properly represent the same person, for example, "J. T. Smith" and "John T. Smith," no proof of identity will be required if the assignments are signed exactly as the securities are inscribed and are duly certified by the same certifying officer.

§ 306.45 Certifying individuals.

(a) *General.* The following individuals may certify assignments of, or forms with respect to, securities:

(1) Officers and employees of depository institutions, corporate central credit unions, and institutions that are members of Treasury-recognized signa-

ture guarantee programs who have been authorized:

- (i) Generally to bind their respective institutions by their acts;
- (ii) Unqualifiedly to guarantee signatures to assignments of securities; or
- (iii) To certify assignments of securities.

(2) Officers and authorized employees of Federal Reserve Banks and branches.

(3) Officers of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives, and Federal Home Loan Banks.

(4) Commissioned officers and warrant officers of the Armed Forces of the United States but only with respect to signatures executed by Armed Forces personnel, civilian field employees, and members of their families.

(5) U.S. Attorneys, Collectors of Customs, and Regional Commissioners, District Directors, and Service Center Directors, Internal Revenue Service.

(6) Judges and Clerks of U.S. Courts.

(7) Such other persons as the Commissioner of the Public Debt or his designee may authorize.

(b) *Foreign countries.* The following individuals are authorized to certify assignments of, or forms with respect to, securities executed in a foreign country:

(1) United States diplomatic or consular officials.

(2) Managers and officers of foreign branches of depository institutions and institutions that are members of Treasury-recognized signature guarantee programs.

(3) Notaries public and other officers authorized to administer oaths, provided their official position and authority are certified by a United States diplomatic or consular official under seal of the office.

(c) *Duties and liabilities of certifying individuals—*(1) *General.* Except as specified in paragraph (c)(2) of this section, a certifying individual shall require that the security or related form be signed in the certifying individual's presence after he or she has established the identity of the person seeking the certification. An employee who is not

an officer should insert the words "Authorized signature" in the space provided for the title. A certifying individual and the organization for which he or she is acting are jointly and severally liable for any loss the United States may incur as a result of the individual's negligence in making the certification.

(2) *Signature guaranteed.* The assignment or related form need not be executed in the presence of a certifying individual if he or she unqualifiedly guarantees the signature, in which case the certifying individual shall, after the signature, add the following endorsement: "Signature guaranteed, First National Bank of Smithville, Smithville, NH, by A.B. Doe, President", and add the date. In guaranteeing a signature, the certifying individual and the organization for which he or she is acting warrant to the Department that the signature is genuine and that the signer had the legal capacity to execute the assignment or related form.

(3) *Absence of signature guaranteed by depository institution.* A security or related form need not be actually signed by the owner in any case where a certifying individual associated with a depository institution has placed an endorsement on the security or the form reading substantially as follows: "Absence of signature by owner and validity of transaction guaranteed, Second State Bank of Jonesville, Jonesville, NC, by B.R. Butler, Vice President". The endorsement should be dated, and the seal of the institution should be added. This form of endorsement is an unconditional guarantee to the Department that the institution is acting for the owner under proper authorization.

(d) *Evidence of certifying individual's authority.* The authority of a certifying individual to act is evidenced by affixing to the certification the following:

(1) *Officers and employees of depository institutions.* The institution's seal or signature guarantee stamp; if the institution is an authorized paying agent for U.S. Savings Bonds, a legible imprint of the paying agent's stamp; or, if the institution is a member of the Securities Transfer Agents Medallion Program (STAMP), a legible imprint of

the STAMP signature guarantee stamp.

(2) *Officers and authorized employees of institutions that are members of Treasury-recognized signature guarantee programs.* A legible imprint of the program's signature guarantee stamp, e.g., the STAMP, SEMP, or MSP stamp for members of the Securities Transfer Agents Medallion Program, the Stock Exchanges Medallion Program, or the New York Stock Exchange Incorporated Medallion Signature Program, respectively.

(3) *Officers and authorized employees of Federal Reserve Banks.* Whatever is prescribed in procedures established by the Department.

(4) *Officers and employees of corporate central credit unions and other entities listed in paragraph (a)(3) of this section.* The entity's seal.

(5) *Notaries public, diplomatic or consular officials.* The official seal or stamp of the office. If the certifying individual has no seal or stamp, then the official's position must be certified by some other authorized individual, under seal or stamp, or otherwise proved to the satisfaction of the Department.

(6) *Commissioned or warrant officers of the United States Armed Forces.* A statement which sets out the officer's rank and the fact that the person executing the assignment or form is one whose signature the officer is authorized to certify under the regulations in this part.

(7) *A judge or clerk of the court.* The seal of the court.

(8) *Any other certifying individual.* The official seal or stamp of the office. If the certifying individual has no seal or stamp, then the certifying individual's position and signature must be certified by some other authorized individual under official seal or stamp, or otherwise proved to the satisfaction of the Department.

(e) *Interested persons not to act as certifying individual.* Neither the transferor, the transferee, nor any person having an interest in a security involved in the transaction may act as a certifying individual. However, an authorized officer or employee of a depository institution or of an institution that is a member of a Treasury-recognized signature

guarantee program may act as a certifying individual on a security or related form for transfer of a security to the institution, or any security or related form executed by another individual on behalf of the institution.

[59 FR 59037, Nov. 15, 1994]

Subpart G—Assignments by or in Behalf of Individuals

§ 306.55 Signatures, minor errors and change of name.

The owner's signature to an assignment should be in the form in which the security is inscribed or assigned, unless such inscription or assignment is incorrect or the name has since been changed. In case of a change of name, the signature to the assignment should show both names and the manner in which the change was made, for example, "John Young, changed by order of court from Hans Jung." Evidence of the change will be required. However, no evidence is required to support an assignment if the change resulted from marriage and the signature, which must be duly certified by an authorized officer, is written to show that fact, for example, "Mrs. Mary J. Brown, changed by marriage from Miss Mary Jones."

§ 306.56 Assignment of securities registered in the names of or assigned to two or more persons.

(a) *Transfer or exchange.* Securities registered in the names of or assigned to two or more persons may be transferred during the lives of all the joint owners only upon assignments by all or on their behalf by authorized representatives. Upon proof of the death of one, the Department will accept an assignment by or in behalf of the survivor or survivors, unless the form of registration or assignment includes words which precludes the right of survivorship.⁹ In the latter case, in addition to assignment by or in behalf of the survivor or survivors, an assignment in behalf of the decedent's estate will be required.

(b) *Advance refunding or prerefunding offers.* No assignments are required for

⁹See § 306.11(a) (2) for forms of registration expressing or precluding survivorship.

exchange of securities registered in the names of or assigned to two or more persons if the securities to be received in the exchange are to be registered in the same names and form. If securities in a different form are to be issued, all persons named must assign, except that in case of death paragraph (a) of this section shall apply.

(c) *Redemption or redemption-exchange—(1) Alternative registration or assignment.* Securities registered in the names of or assigned to two or more persons in the alternative, for example, "John B. Smith or Mrs. Mary J. Smith" or "John B. Smith or Mrs. Mary J. Smith or the survivor," may be assigned by one of them at maturity or upon call, for redemption or redemption-exchange, for his own account or otherwise, whether or not the other joint owner or owners are deceased.

(2) *Joint registration or assignment.* Securities registered in the names of or assigned to two or more persons jointly, for example, "John B. Smith and Mrs. Mary J. Smith," or "John B. Smith and Mrs. Mary J. Smith as tenants in common," or "John B. Smith and Mary J. Smith as partners in community," may be assigned by one of them during the lives of all only for redemption at maturity or upon call, and then only for redemption for the account of all. No assignments are required for redemption-exchange for securities to be registered in the same names and forms as appear in the registration or assignment of the securities surrendered. Upon proof of the death of a joint owner, the survivor or survivors may assign securities so registered or assigned for redemption or redemption-exchange for any account, except that, if words which preclude the right of survivorship⁹ appear in the registration or assignment, assignment in behalf of the decedent's estate also will be required.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38126, July 15, 1999]

§ 306.57 Minors and incompetents.

(a) *Assignments by natural guardian of securities registered in name of minor.* Securities registered in the name of a minor for whose estate no legal guardian or similar representative has qualified may be assigned by the natural

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guardian upon qualification. (Form PD 2481 may be used for this purpose.)

(b) *Assignments of securities registered in name of natural guardian of minor.* Securities registered in the name of a natural guardian of a minor may be assigned by the natural guardian for any authorized transaction except one for the apparent benefit of the natural guardian. If the natural guardian in whose name the securities are registered is deceased or is no longer qualified to act as natural guardian, the securities may be assigned by the person then acting as natural guardian. The assignment by the new natural guardian should be supported by proof of the death or disqualification of the former natural guardian and by evidence of his own status as natural guardian. (Form PD 2481 may be used for this purpose.) No assignment by a natural guardian will be accepted after receipt of notice of the minor's attainment of majority, removal of his disability of minority, disqualification of the natural guardian to act as such, qualification of a legal guardian or similar representative, or the death of the minor.

(c) *Assignments by voluntary guardian of incompetents.* Registered securities belonging to an incompetent for whose estate no legal guardian or similar representative is legally qualified may be assigned by the relative responsible for his care and support or some other person as voluntary guardian:

(1) For redemption, if the proceeds of the securities are needed to pay expenses already incurred, or to be incurred during any 90-day period, for the care and support of the incompetent or his legal dependents.

(2) For redemption-exchange, if the securities are matured or have been called, or pursuant to an advance refunding or prerefunding offer, for reinvestment in other securities to be registered in the form "A, an incompetent (123-45-6789) under voluntary guardianship."

An application on Form PD 1461 by the person seeking authority to act as voluntary guardian will be required.

(d) *Assignments by legal guardians of minors or incompetents.* Securities registered in the name and title of the legal guardian or similar representa-

tive of the estate of a minor or incompetent may be assigned by the representative for any authorized transaction without proof of his qualification. Assignments by a representative of any other securities belonging to a minor or incompetent must be supported by properly certified evidence of qualification. The evidence must be dated not more than 1 year before the date of the assignments and must contain a statement showing the appointment is in full force unless (1) it shows the appointment was made not more than 1 year before the date of the assignment, or (2) the representative or a corepresentative is a corporation. An assignment by the representative will not be accepted after receipt of notice of termination of the guardianship, except for transfer to the former ward.

[38 FR 7078, Mar. 15, 1973, as amended at 64 FR 38126, July 15, 1999]

§ 306.58 Nontransferable securities.

The provisions of this subpart, so far as applicable, govern transactions in Treasury Bonds, Investment Series B-1975-80.

Subpart H—Assignments in Behalf of Estates of Deceased Owners

§ 306.65 Special provisions applicable to small amounts of securities, interest checks or redemption checks.

Entitlement to, or the authority to dispose of, a small amount of securities and checks issued in payment thereof or in payment of interest thereon, belonging to the estate of a decedent, may be established through the use of certain short forms, according to the aggregate amount of securities and checks involved (excluding checks representing interest on the securities), as indicated by the following table:

Amount	Circumstances	Form	To be executed by—
\$100	No administration.	PD2216 ..	Person who paid burial expenses.
500	Estate being administered.	PD2488 ..	Executor or administrator.
500	Estate settled ..	PD2458-1	Former executor or administrator, attorneys or other qualified person.

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§ 306.66 Estates—administration.

(a) *Temporary or special administrators.* Temporary or special administrators may assign securities for any authorized transaction within the scope of their authority. The assignments must be supported by:

(1) *Temporary administrators.* A certificate, under court seal, showing the appointment in full force within thirty days preceding the date of receipt of the securities.

(2) *Special administrators.* A certificate, under court seal, showing the appointment in full force within 6 months preceding the date of receipt of the securities.

Authority for assignments for transactions not within the scope of appointment must be established by a duly certified copy of a special order of court.

(b) *In course of administration.* A security belonging to the estate of a decedent which is being administered by a duly qualified executor or general administrator will be accepted for any authorized transaction upon assignment by such representative. (See § 306.77.) Unless the security is registered in the name of and shows the capacity of the representative, the assignment must be supported by a certificate or a copy of the letters of appointment, certified under court seal. The certificate or certification, if required, must be dated not more than 6 months before the date of the assignment and must contain a statement that the appointment is in full force, unless:

(1) It shows the appointment was made not more than 1 year before the date of the assignment, or

(2) The representative or a corepresentative is a corporation, or

(3) Redemption is being made for application of the proceeds in payment of Federal estate taxes as provided by § 306.28.

(c) *After settlement through court proceedings.* Securities belonging to the estate of a decedent which has been settled in court will be accepted for any authorized transaction upon assignments by the person or persons entitled, as determined by the court. The assignments should be supported by a copy, certified under court seal, of the

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decree of distribution, the representative's final account as approved by the court, or other pertinent court records.

§ 306.67 Estates not administered.

(a) *Special provisions under State laws.* If, under State law, a person has been recognized or appointed to receive or distribute the assets of a decedent's estate without regular administration, his assignment of securities belonging to the estate will be accepted provided he submits appropriate evidence of his authority.

(b) *Agreement of persons entitled.* When it appears that no legal representative of a decedent's estate has been or is to be appointed, securities belonging to the estate may be duly disposed of pursuant to an agreement and assignment by all persons entitled to share in the decedent's personal estate. (Form PD 1646 may be used.) However, all debts of the decedent and his estate must be paid or provided for and the interests of any minors or incompetents must be protected.

§ 306.68 Nontransferable securities.

The provisions of this subpart, so far as applicable, govern transactions in Treasury Bonds, Investment Series B–1975–80.

Subpart I—Assignments by or in Behalf of Trustees and Similar Fiduciaries

§ 306.75 Individual fiduciaries.

(a) *General.* Securities registered in, or assigned to, the names and titles of individual fiduciaries will be accepted for any authorized transaction upon assignment by the designated fiduciaries without proof of their qualification. If the fiduciaries in whose names the securities are registered, or to whom they have been assigned, have been succeeded by other fiduciaries, evidence of successorship must be furnished. If the appointment of a successor is not required under the terms of the trust instrument or otherwise and is not contemplated, assignments by the surviving or remaining fiduciary or fiduciaries must be supported by appropriate proof. This requires:

(1) Proof of the death, resignation, removal or disqualification of the former fiduciary and

(2) Evidence that the surviving or remaining fiduciary or fiduciaries are fully qualified to administer the fiduciary estate, which may be in the form of a certificate by them showing the appointment of a successor has not been applied for, is not contemplated and is not necessary under the terms of the trust instrument or otherwise.

Assignments of securities registered in the titles, without the names of the fiduciaries, for example, "Trustees of the George E. White Memorial Scholarship Fund under deed of trust dated 11/10/40, executed by John W. White," must be supported by proof that the assignors are the qualified and acting trustees of the designated trust estate, unless they are empowered to act as a unit in which case the provisions of §306.76 shall apply. (Form PD 2446 may be used to furnish proof of incumbency of fiduciaries.) Assignments by fiduciaries of securities not registered or assigned in such manner as to show that they belong to the estate for which the assignors are acting must also be supported by evidence that the estate is entitled to the securities.

(b) *Life tenants.* Upon termination of a life estate by reason of the death of the life tenant in whose name a security is registered, or to whom it has been assigned, the security will be accepted for any authorized transaction upon assignment by the remainderman, supported by evidence of entitlement.

§ 306.76 Fiduciaries acting as a unit.

Securities registered in the name of or assigned to a board, committee or other body authorized to act as a unit for any public or private trust estate may be assigned for any authorized transaction by anyone authorized to act in behalf of such body. Except as otherwise provided in this section, the assignments must be supported by a copy of a resolution adopted by the body, properly certified under its seal, or, if none, sworn to by a member of the body having access to its records. (Form PD 2495 may be used.) If the person assigning is designated in the reso-

lution by title only, his incumbency must be duly certified by another member of the body. (Form PD 2446 may be used.) If the fiduciaries of any trust estate are empowered to act as a unit, although not designated as a board, committee or other body, securities registered in their names or assigned to them as such, or in their titles without their names, may be assigned by anyone authorized by the group to act in its behalf. Such assignments may be supported by a sworn copy of a resolution adopted by the group in accordance with the terms of the trust instrument, and proof of their authority to act as a unit may be required. As an alternative, assignments by all the fiduciaries, supported by proof of their incumbency, if not named on the securities, will be accepted.

[38 FR 7078, Mar. 15, 1973; 38 FR 10004, Apr. 23, 1973]

§ 306.77 Corepresentatives and fiduciaries.

If there are two or more executors, administrators, guardians or similar representatives, or trustees of an estate, all must unite in the assignment of any securities belonging to the estate. However, when a statute, a decree of court, or the instrument under which the representatives or fiduciaries are acting provides otherwise, assignments in accordance with their authority will be accepted. If the securities have matured or been called and are submitted for redemption for the account of all, or for redemption-exchange or pursuant to an advance refunding or prerefunding offer, and the securities offered in exchange are to be registered in the names of all, no assignment is required.

§ 306.78 Nontransferable securities.

The provisions of this subpart, so far as applicable, govern assignments of Treasury Bonds, Investment Series B-1975-80.

Subpart J—Assignments in Behalf of Private or Public Organizations

§ 306.85 Private corporations and unincorporated associations (including nominees).

Securities registered in the name of, or assigned to, an unincorporated association, or a private corporation in its own right or in a representative or fiduciary capacity, or as nominee, may be assigned in its behalf for any authorized transaction by any duly authorized officer or officers. Evidence, in the form of a resolution of the governing body, authorizing the assigning officer to assign, or to sell, or to otherwise dispose of the securities will ordinarily be required. Resolutions may relate to any or all registered securities owned by the organization or held by it in a representative or fiduciary capacity. (Form PD 1010, or any substantially similar form, may be used when the authority relates to specific securities; Form PD 1011, or any substantially similar form, may be used for securities generally.) If the officer derives his authority from a charter, constitution or bylaws, a copy, or a pertinent extract therefrom, properly certified, will be required in lieu of a resolution. If the resolution or other supporting document shows the title of an authorized officer, without his name, it must be supplemented by a certificate of incumbency. (Form PD 1014 may be used.)

§ 306.86 Change of name and succession of private organizations.

If a private corporation or unincorporated association changes its name or is lawfully succeeded by another corporation or unincorporated association, its securities may be assigned in behalf of the organization in its new name or that of its successor by an authorized officer in accordance with § 306.85. The assignment must be supported by evidence of the change of name or successorship.

§ 306.87 Partnerships (including nominee partnerships).

An assignment of a security registered in the name of or assigned to a partnership must be executed by a general partner. Upon dissolution of a

partnership, assignment by all living partners and by the persons entitled to assign in behalf of any deceased partner's estate will be required unless the laws of the jurisdiction authorize a general partner to bind the partnership by any act appropriate for winding up partnership affairs. In those cases where assignments by or in behalf of all partners are required this fact must be shown in the assignment; otherwise, an affidavit by a former general partner must be furnished identifying all the persons who had been partners immediately prior to dissolution. Upon voluntary dissolution, for any jurisdiction where a general partner may not act in winding up partnership affairs, an assignment by a liquidating partner, as such, must be supported by a duly executed agreement among the partners appointing the liquidating partner.

§ 306.88 Political entities and public corporations.

Securities registered in the name of, or assigned to, a State, county, city, town, village, school district or other political entity, public body or corporation, may be assigned by a duly authorized officer, supported by evidence of his authority.

§ 306.89 Public officers.

Securities registered in the name of, or assigned to, a public officer designated by title may be assigned by such officer, supported by evidence of incumbency. Assignments for the officer's own apparent individual benefit will not be recognized.

§ 306.90 Nontransferable securities.

The provisions of this subpart apply to Treasury Bonds, Investment Series B-1975-80.

Subpart K—Attorneys in Fact

§ 306.95 Attorneys in fact.

(a) *General.* Assignments by an attorney in fact will be recognized if supported by an adequate power of attorney. Every power must be executed in the presence of an authorized certifying officer under the conditions set

out in § 306.45 for certification of assignments. Powers need not be submitted to support redemption-exchanges or exchanges pursuant to advance refunding or prefunding offers where the securities to be issued are to be registered in the same names and forms as appear in the inscriptions or assignments of the securities surrendered. In all other cases, the original power, or a photocopy showing the grantor's autograph signature, properly certified, must be submitted, together with the security assigned on the owner's behalf by the attorney in fact. An assignment by a substitute attorney in fact must be supported by an authorizing power of attorney and power of substitution. An assignment by an attorney in fact or a substitute attorney in fact for the apparent benefit of either will not be accepted unless expressly authorized. (Form PD 1001 or 1003, as appropriate, may be used to appoint an attorney in fact. An attorney in fact may use Form PD 1006 or 1008 to appoint a substitute. However, any form sufficient in substance may be used.) If there are two or more joint attorneys in fact or substitutes, all must unite in an assignment, unless the power authorizes less than all to act. A power of attorney or of substitution not coupled with an interest will be recognized until the Bureau receives proof of revocation or proof of the grantor's death or incompetency.

(b) *For legal representatives and fiduciaries.* Assignments by an attorney in fact or substitute attorney in fact for a legal representative or fiduciary, in addition to the power of attorney and of substitution, must be supported by evidence, if any, as required by §§ 306.57(d), 306.66(b), 306.75, and 306.76. Powers must specifically designate the securities to be assigned.

(c) *For corporations or unincorporated associations.* Assignments by an attorney in fact or a substitute attorney in fact in behalf of a corporation or unincorporated association, in addition to the power of attorney and power of substitution, must be supported by one of the following documents certified under seal of the organization, or, if it has no seal, sworn to by an officer who has access to the records:

(1) A copy of the resolution of the governing body authorizing an officer to appoint an attorney in fact, with power of substitution, if pertinent, to assign, or to sell, or to otherwise dispose of, the securities, or

(2) A copy of the charter, constitution, or bylaws, or a pertinent extract therefrom, showing the authority of an officer to appoint an attorney in fact, or

(3) A copy of the resolution of the governing body directly appointing an attorney in fact.

If the resolution or other supporting document shows only the title of the authorized officer, without his name, a certificate of incumbency must also be furnished. (Form PD 1014 may be used.) The power may not be broader than the resolution or other authority.

(d) *For public corporations.* A general power of attorney in behalf of a public corporation will be recognized only if it is authorized by statute.

§ 306.96 Nontransferable securities.

The provisions of this subpart shall apply to nontransferable securities, subject only to the limitations imposed by the terms of the particular issues.

Subpart L—Transfer Through Judicial Proceedings

§ 306.100 Transferable securities.

The Department will recognize valid judicial proceedings affecting the ownership of or interest in transferable securities, upon presentation of the securities together with evidence of the proceedings. In the case of securities registered in the names of two or more persons, the extent of their respective interests in the securities must be determined by the court in proceedings to which they are parties or must otherwise be validly established.¹⁰

¹⁰Title in a finder claiming ownership of a registered security will not be recognized. A finder claiming ownership of a bearer security or a registered security assigned in blank or so assigned as to become in effect payable to bearer must perfect his title in accordance with the provisions of State law. If there are no such provisions, the Department will not recognize his title to the security.

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§ 306.101 Evidence required.

Copies of a final judgment, decree, or order of court and of any necessary supplementary proceedings must be submitted. Assignments by a trustee in bankruptcy or a receiver of an insolvent's estate must be supported by evidence of his qualification. Assignments by a receiver in equity or a similar court officer must be supported by a copy of an order authorizing him to assign, or to sell, or to otherwise dispose of, the securities. Where the documents are dated more than 6 months prior to presentation of the securities, there must also be submitted a certificate dated within 6 months of presentation of the securities, showing the judgment, decree, or order, or evidence of qualification, is in full force. Any such evidence must be certified under court seal.

§ 306.102 Nontransferable securities.

The provisions of this subpart shall apply to Treasury Bonds, Investment Series B-1975-80, except that prior to maturity any reference to assignments shall be deemed to refer to assignments of the bonds for exchange for the current series of 1½ percent 5-year EA or EO Treasury notes.

Subpart M—Requests for Suspension of Transactions

§ 306.105 Requests for suspension of transactions in registered securities.

(a) *Timely notice.* If prior to the time a registered security bearing an apparently valid assignment has been functioned, a claim is received from the owner or his authorized representative showing that:

(1) The security was lost, stolen, or destroyed and that it was unassigned, or not so assigned as to have become in effect payable to bearer, or

(2) The assignment was affected by fraud, the transaction for which the security was received will be suspended.

The interested parties will be given a reasonable period of time in which to effect settlement of their interests by agreement, or to institute judicial proceedings.

(b) *Late notice.* If, after a registered security has been transferred, exchanged, or redeemed in reliance on an apparently valid assignment, an owner notifies the Bureau that the assignment was affected by fraud or that the security had been lost or stolen, the Department will undertake only to furnish available information.

(c) *Forged assignments.* A claim that an assignment of a registered security is a forgery will be investigated. If it is established that the assignment was in fact forged and that the owner did not authorize or ratify it, or receive any benefit therefrom, the Department will recognize his ownership and grant appropriate relief.

§ 306.106 Requests for suspension of transactions in bearer securities.

(a) *Securities not overdue.* Neither the Department nor any of its agents will accept notice of any claim or of pending judicial proceedings by any person for the purpose of suspending transactions in bearer securities, or registered securities so assigned as to become in effect payable to bearer which are not overdue as defined in § 306.25.¹¹ However, if the securities are received and retired, the department will undertake to notify persons who appear to be

¹¹ It has been the longstanding policy of the Department to assume no responsibility for the protection of bearer securities not in the possession of persons claiming rights therein and to give no effect to any notice of such claims. This policy was formalized on April 27, 1867, when the Secretary of the Treasury issued the following statement:

“In consequence of the increasing trouble, wholly without practical benefit, arising from notices which are constantly received at the Department respecting the loss of coupon bonds, which are payable to bearer, and of Treasury notes issued and remaining in blank at the time of loss, it becomes necessary to give this public notice, that the Government cannot protect and will not undertake to protect the owners of such bonds and notes against the consequences of their own fault or misfortune.”

“Hereafter all bonds, notes, and coupons, payable to bearer, and Treasury notes issued and remaining in blank, will be paid to the party presenting them in pursuance of the regulations of the Department, in the course of regular business; and no attention will be paid to caveats which may be filed for the purpose of preventing such payment.”

entitled to any available information concerning the source from which the securities were received.

(b) *Overdue securities.* Reports that bearer securities, or registered securities so assigned as to become in effect payable to bearer, were lost, stolen, or possibly destroyed after they became overdue as defined in § 306.25 will be accepted by the Bureau for the purpose of suspending redemption of the securities if the claimant establishes his interest. If the securities are presented, their redemption will be suspended and the presenter and the claimant will each be given an opportunity to establish ownership.

Subpart N—Relief for Loss, Theft, Destruction, Mutilation, or Defacement of Securities

§ 306.110 Statutory authority and requirements.

Relief is authorized, under certain conditions, for the loss, theft, destruction, mutilation or defacement of U.S. securities, whether before, at, or after maturity. A bond of indemnity, in such form and with such surety, sureties or security as may be required to protect the interests of the United States, is required as a condition of relief on account of any bearer security or any registered security assigned in blank or so assigned as to become in effect payable to bearer, and is ordinarily required in the case of unassigned registered securities.

§ 306.111 Procedure for applying for relief.

Prompt report of the loss, theft, destruction, mutilation or defacement of a security should be made to the Bureau. The report should include:

(a) The name and present address of the owner and his address at the time the security was issued, and, if the report is made by some other person, the capacity in which he represents the owner.

(b) The identity of the security by title of loan, issue date, interest rate, serial number and denomination, and in the case of a registered security, the exact form of inscription and a full description of any assignment, endorsement or other writing.

(c) A full statement of the circumstances.

All available portions of a mutilated, defaced or partially destroyed security must also be submitted.

§ 306.112 Type of relief granted.

(a) *Prior to call or maturity.* After a claim on account of the loss, theft, destruction, mutilation, or defacement of a security which has not matured or been called has been satisfactorily established and the conditions for granting relief have been met, a security of like description will be issued to replace the original security.

(b) *At or after call or maturity.* Payment will be made on account of the loss, theft, destruction, mutilation, or defacement of a called or matured security after the claim has been satisfactorily established and the conditions for granting relief have been met.

(c) *Interest coupons.* Where relief has been authorized on account of a destroyed, mutilated or defaced coupon security which has not matured or been called, the replacement security will have attached all unmatured interest coupons if it is established to the satisfaction of the Secretary of the Treasury that the coupons were attached to the original security at the time of its destruction, mutilation or defacement. In every other case only those unmatured interest coupons for which the Department has received payment will be attached. The price of the coupons will be their value as determined by the Department at the time relief is authorized using interest rate factors based on then current market yields on Treasury securities of comparable maturities.

§ 306.113 Cases not requiring bonds of indemnity.

A bond of indemnity will not be required as a condition of relief for the loss, theft, destruction, mutilation, or defacement of registered securities in any of the following classes of cases unless the Secretary of the Treasury deems it essential in the public interest:

(a) If the loss, theft, destruction, mutilation, or defacement, as the case may be, occurred while the security was in the custody or control of the

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United States, or a duly authorized agent thereof (not including the Postal Service when acting solely in its capacity as public carrier of the mails), or while in the course of shipment effected under regulations issued pursuant to the Government Losses in Shipment Act (parts 260, 261, and 262 of this chapter).

(b) If substantially the entire security is presented and surrendered and the Security of the Treasury is satisfied as to the identity of the security and that any missing portions are not sufficient to form the basis of a valid claim against the United States.

(c) If the security is one which by the provisions of law or by the terms of its issue is nontransferable or is transferable only by operation of law.

(d) If the owner or holder is the United States, a Federal Reserve bank, a Federal Government corporation, a State, the District of Columbia, a territory or possession of the United States, a municipal corporation, or, if applicable, a political subdivision of any of the foregoing, or a foreign government.

Subpart O—Book-Entry Procedure

§ 306.115 Definition of terms.

For the purposes of this subpart, the definitions provided in 31 CFR 357.3 are applicable, with the following additions:

Definitive Treasury security means a Treasury bond, note, certificate of indebtedness, or bill issued under 31 U.S.C. chapter 31 in engraved or printed form.

Eligible book-entry Treasury security means a security maintained in TRADES that was originally issued prior to August 15, 1986, which by the terms of its offering circular is available in either definitive or book-entry form.

[61 FR 43637, Aug. 23, 1996]

§ 306.116 Scope and effect of book-entry procedure.

(a) Except as provided in § 306.117, the provisions of 31 CFR part 357, subparts A, B, and D apply.

(b) This subpart is effective January 1, 1997.

[61 FR 43637, Aug. 23, 1996]

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§ 306.117 Withdrawal of eligible book-entry Treasury securities for conversion to registered form.

(a) Eligible book-entry Treasury securities may be withdrawn from TRADES by requesting delivery of like definitive Treasury securities.

(b) Public Debt shall, upon receipt of appropriate instructions to withdraw eligible book-entry Treasury securities from book-entry form in TRADES, convert such securities into registered Treasury securities and deliver them in accordance with such instructions; no such conversion shall affect existing interests in such Treasury securities.

(c) All requests for withdrawal of eligible book-entry Treasury securities must be made prior to the maturity or date of call of the securities.

(d) Treasury securities which are to be delivered upon withdrawal may be issued in registered form, to the extent permitted by the applicable offering circular.

[61 FR 43637, Aug. 23, 1996; 64 FR 38126, July 15, 1999]

Subpart P—Miscellaneous Provisions

§ 306.125 Additional requirements.

In any case or any class of cases arising under these regulations the Secretary of the Treasury may require such additional evidence and a bond of indemnity, with or without surety, as may in his judgment be necessary for the protection of the interests of the United States.

§ 306.126 Waiver of regulations.

The Secretary of the Treasury reserves the right, in his discretion, to waive or modify any provision or provisions of these regulations in any particular case or class of cases for the convenience of the United States or in order to relieve any person or persons of unnecessary hardship, if such action is not inconsistent with law, does not impair any existing rights, and he is satisfied that such action would not subject the United States to any substantial expense or liability.

§ 306.127 Preservation of existing rights.

Nothing contained in these regulations shall limit or restrict existing rights which holders of securities heretofore issued may have acquired under the circulars offering such securities for sale or under the regulations in force at the time of acquisition.

§ 306.128 Supplements, amendments or revisions.

The Secretary of the Treasury may at any time, or from time to time, prescribe additional supplemental, amendatory or revised regulations with respect to U.S. securities. The Secretary also may lower the minimum and multiple requirements for stripping marketable Treasury notes and bonds issued prior to March 1, 1993, through an announcement as provided in § 356.31 of this title.

[65 FR 66175, Nov. 3, 2000]

PART 308—GENERAL REGULATIONS GOVERNING FULL-PAID INTERIM CERTIFICATES

Sec.

- 308.1 Issue.
- 308.2 Exchange for definitive securities.
- 308.3 Exchanges of denominations.
- 308.4 Applicable regulations.
- 308.5 Reservations.

AUTHORITY: 80 Stat. 379; sec. 8, 50 Stat. 481, as amended; secs. 1, 18, 5, 40 Stat. 288, as amended, 1309, as amended, 290, as amended; sec. 32, 30 Stat. 466, as amended; 5 U.S.C. 301; 31 U.S.C. 738a, 752, 753, 754, 756.

SOURCE: 6 FR 5289, Oct. 17, 1941, unless otherwise noted.

§ 308.1 Issue.

Federal Reserve Banks, as Fiscal Agents of the United States, and the Treasury Department may issue full-paid interim certificates in lieu of definitive securities, against full-paid allotments of subscriptions, when specifically authorized by the Secretary of the Treasury in connection with the issue, hereafter, to the public, of United States securities. Interim certificates shall be in such form, and in such denominations, as the Secretary of the Treasury may determine when an issue is authorized.

§ 308.2 Exchange for definitive securities.

Upon surrender of a full-paid interim certificate to a Federal Reserve Bank, or to the Treasury Department, Washington, DC 20226, the definitive securities described therein, when prepared, will be delivered. Exchanges shall be made on like par amount basis.

§ 308.3 Exchanges of denominations.

Pending availability of definitive securities, exchanges of authorized denominations of interim certificates, from higher to lower will be permitted.

§ 308.4 Applicable regulations.

Except as may otherwise be provided, and in so far as applicable, the general regulations of the Treasury Department, as contained in part 306 of this subchapter, as amended or revised, shall apply to full-paid interim certificates.

§ 308.5 Reservations.

The Secretary of the Treasury reserves the right to withdraw or amend at any time or from time to time any or all of the provisions of this part.

PART 309—ISSUE AND SALE OF TREASURY BILLS

Sec.

- 309.1 Authority for issue and sale.
- 309.2 Description of Treasury bills (General).
- 309.3 Denominations and exchange.
- 309.4 Taxation.
- 309.5 Acceptance of Treasury bills for various purposes.
- 309.6 Public notice of offering.
- 309.7 Tenders; submission through Federal Reserve Banks and branches and to the Bureau of the Public Debt.
- 309.8 Tenders; when cash deposit is required.
- 309.9 Tenders; acceptance by the Secretary of the Treasury.
- 309.10 Tenders; reservation of right to reject.
- 309.11 Tenders; payment of accepted tenders.
- 309.12 Relief on account of loss, theft or destruction, etc.
- 309.13 Functions of Federal Reserve Banks.
- 309.14 Reservation as to terms of circular.

AUTHORITY: 80 Stat. 379; sec. 8, 50 Stat. 481, as amended; sec. 5, 40 Stat. 290, as amended; 5 U.S.C. 301; 31 U.S.C. 738a, 754.