

**PART 211—DELIVERY OF CHECKS
AND WARRANTS TO ADDRESSES
OUTSIDE THE UNITED STATES, ITS
TERRITORIES AND POSSESSIONS**

Sec.

211.1 Withholding delivery of checks.

211.2 Claims for the release of withheld checks or for the proceeds thereof.

211.3 Exceptions.

211.4 Implementing instructions.

AUTHORITY: 5 U.S.C. 301; 31 U.S.C. 321 and 3329.

§211.1 Withholding delivery of checks.

(a) It is hereby determined that postal, transportation or banking facilities in general or local conditions in the Republic of Cuba and the Democratic People's Republic of Korea (North Korea) are such that there is not a reasonable assurance that a payee in those areas will actually receive checks or warrants drawn against funds of the United States, or agencies or instrumentalities thereof, and be able to negotiate the same for full value.

(b) A check or warrant intended for delivery in any of the areas named in paragraph (a) of this section shall be withheld unless the check or warrant is specifically released by the Secretary of the Treasury.

(c) Before a check or warrant drawn against funds blocked pursuant to the provisions of Executive Order No. 8389 (3 CFR, 1943 Cum. Supp.), as amended, and which remain blocked under the proviso clause of General License No. 101 of the Foreign Funds Control Regulations (31 CFR 520.101) may be released, it will be necessary for a license authorizing the release to be issued by the Department of the Treasury, Office of Foreign Assets Control, pursuant to E.O. 8389, as amended. In this regard, attention is also directed to the following regulations issued by the Secretary of the Treasury:

(1) The Foreign Assets Control Regulations issued on December 17, 1950 (31 CFR part 500), pursuant to Executive Order 9193 (3 CFR, 1943 Cum. Supp.), which prohibit transactions involving payments to nationals of the Democratic People's Republic of Korea (North Korea), the Socialist Republic of Vietnam, and Democratic Kampuchea, except to the extent that

any such payments have been authorized by appropriate license.

(2) The Cuban Assets Control Regulations issued on July 8, 1963 (31 CFR part 515), pursuant to the same authority, which prohibit similar transactions with nationals of Cuba unless licensed, and

(3) The Iranian Assets Control Regulations issued on November 14, 1979 (31 CFR part 535), as amended on April 17, 1980, pursuant to Executive Orders 12170 and 12211, which prohibit transactions in property of the Iranian Government or its instrumentalities and transfers of funds to persons in Iran, except as authorized by appropriate license.

(d) Powers of attorney for the receipt or collection of checks or warrants or for the proceeds of checks or warrants included within the determination of the Secretary of the Treasury set forth in paragraph (a) of this section will not be recognized.

[41 FR 15847, Apr. 15, 1976, as amended at 44 FR 51568, Sept. 4, 1979; 45 FR 47678, July 16, 1980; 61 FR 41739, Aug. 12, 1996; 66 FR 63623, Dec. 10, 2001]

§211.2 Claims for the release of withheld checks or for the proceeds thereof.

Claims for the release of checks or warrants withheld from delivery or for the proceeds thereof, shall be filed with the administrative agency which would have originally authorized such issuance, e.g., claims arising out of checks or warrants representing payments under laws administered by the Department of Veterans Affairs shall be filed with the Secretary of Veterans Affairs, Department of Veterans Affairs, Washington, DC 20420.

[61 FR 41739, Aug. 12, 1996]

§211.3 Exceptions.

The regulations of this part do not apply to payments to foreign governments, nor to checks or warrants issued in payment of salaries or wages, or for goods or services purchased by the Government of the United States in foreign countries, unless such payments are subject to the Foreign Funds Control Regulations (31 CFR part 520), the Foreign Assets Control Regulations (31 CFR part 500), the Cuban Assets

§211.4

Control Regulations (31 CFR part 515), or the Iranian Assets Control Regulations (31 CFR part 535).

[45 FR 47678, July 16, 1980]

§211.4 Implementing instructions.

Implementing instructions will be issued in Part IV, “Disbursing,” of the Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies.

[41 FR 15847, Apr. 15, 1976]

PART 212—GARNISHMENT OF ACCOUNTS CONTAINING FEDERAL BENEFIT PAYMENTS

Sec.

212.1 Purpose.

212.2 Scope.

212.3 Definitions.

212.4 Initial action upon receipt of a garnishment order.

212.5 Account review.

212.6 Rules and procedures to protect benefits.

212.7 Notice to the account holder.

212.8 Other rights and authorities.

212.9 Preemption of State law.

212.10 Safe harbor.

212.11 Compliance and record retention.

212.12 Amendment of this part.

APPENDIX A TO PART 212—MODEL NOTICE TO ACCOUNT HOLDER

APPENDIX B TO PART 212—FORM OF NOTICE OF RIGHT TO GARNISH FEDERAL BENEFITS

APPENDIX C TO PART 212—EXAMPLES OF THE LOOKBACK PERIOD AND PROTECTED AMOUNT

AUTHORITY: 5 U.S.C. 8346; 5 U.S.C. 8470; 5 U.S.C. 1103; 31 U.S.C. 321; 31 U.S.C. 3321; 31 U.S.C. 3332; 38 U.S.C. 5301(a); 38 U.S.C. 501(a); 42 U.S.C. 405(a); 42 U.S.C. 407; 42 U.S.C. 659; 42 U.S.C. 1383(d)(1); 45 U.S.C. 231f(b); 45 U.S.C. 231m; 45 U.S.C. 352(e); 45 U.S.C. 362(1).

SOURCE: 76 FR 9955, Feb. 23, 2011, unless otherwise noted.

§212.1 Purpose.

The purpose of this part is to implement statutory provisions that protect Federal benefits from garnishment by establishing procedures that a financial institution must follow when served a garnishment order against an account holder into whose account a Federal benefit payment has been directly deposited.

31 CFR Ch. II (7–1–11 Edition)

§212.2 Scope.

This part applies to:

(a) *Entities*. All financial institutions, as defined in §212.3.

(b) *Funds*. Federal benefit payments protected from garnishment pursuant to the following authorities:

(1) SSA benefit payments protected under 42 U.S.C. 407 and 42 U.S.C. 1383(d)(1);

(2) VA benefit payments protected under 38 U.S.C. 5301(a);

(3) RRB benefit payments protected under 45 U.S.C. 231m(a) and 45 U.S.C. 352(e); and

(4) OPM benefit payments protected under 5 U.S.C. 8346 and 5 U.S.C. 8470.

§212.3 Definitions.

For the purposes of this part, the following definitions apply.

Account means an account, including a master account or sub account, at a financial institution and to which an electronic payment may be directly routed.

Account holder means a natural person against whom a garnishment order is issued and whose name appears in a financial institution’s records as the direct or beneficial owner of an account.

Account review means the process of examining deposits in an account to determine if a benefit agency has deposited a benefit payment into the account during the lookback period.

Benefit agency means the Social Security Administration (SSA), the Department of Veterans Affairs (VA), the Office of Personnel Management (OPM), or the Railroad Retirement Board (RRB).

Benefit payment means a Federal benefit payment referred to in §212.2(b) paid by direct deposit to an account with the character “XX” encoded in positions 54 and 55 of the Company Entry Description field of the Batch Header Record of the direct deposit entry.

Federal banking agency means the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, or the National Credit Union Administration.