

**PART 348—REGULATIONS GOV-  
ERNING DEPOSITORY COM-  
PENSATION SECURITIES**

Sec.

- 348.0 Offering of securities.  
348.1 Description of securities.  
348.2 Redemption/call/reinvestment.  
348.3 Reservations.

AUTHORITY: 31 U.S.C. 3121; 5 U.S.C. 301.

SOURCE: 68 FR 41267, July 11, 2003 unless otherwise noted.

**§ 348.0 Offering of securities.**

The Secretary of the Treasury (the Secretary) under authority of Title 31, Chapter 31, offers, at par, Depository Compensation Securities (securities) to financial agents of the Department of the Treasury. The securities are offered to financial agents of the Department of the Treasury designated under federal law (including, but not limited to: 12 U.S.C. 90, 265-266, 1464(k), and 1789a; 31 U.S.C. 3303) which have executed a Depository, Financial Agency, and Collateral Agreement satisfactory to the Secretary, and are authorized to provide essential banking services to the Department of the Treasury. The securities will be issued in an amount not to exceed, in any case, the amount for which the financial agents are authorized. The securities are non-marketable Treasury securities that will be utilized to compensate financial agents, in whole or in part, for services performed on behalf of the Department of the Treasury. The financial agents will be compensated from the interest earned on the securities. This offering will continue until terminated by the Secretary. The Fiscal Assistant Secretary is authorized to act on behalf of the Secretary upon all matters contained in these regulations.

**§ 348.1 Description of securities.**

(a) *General.* The securities will be issued in book-entry form on the books of the Department of the Treasury, Bureau of the Public Debt, Parkersburg, WV.

(b) *Terms and rate of interest.* The securities will be issued as notes or bonds, depending on their maturity, under such terms and at such rates as determined and announced by the Sec-

retary. The Secretary will set a given rate of interest that will apply to all securities issued while the rate is in effect. The interest will be payable on a monthly basis. The securities will be issued in a minimum of \$1,000 each.

(c) *Nontransferability.* The securities are not transferable, but they will be acceptable to secure compensating balances with financial agents (as described in § 348.0) and may not be used for any other purpose.

**§ 348.2 Redemption/call/reinvestment.**

(a) *Redemption by financial agents.* The securities may be redeemed prior to maturity by financial agents only under such terms and conditions as set forth in agreements between the financial agents and the Department of the Treasury, Financial Management Service, Washington, DC.

(b) *Call by the Treasury.* The securities are subject to call before maturity. The Secretary will announce such call by any means the Secretary deems appropriate.

(c) *Reinvestment at maturity.* The securities shall be automatically redeemed at maturity and the principal amount reinvested in new securities having the same description in all material respects as the ones redeemed, except that the Secretary shall have the authority to modify the rate of interest for the re-issued securities. The securities shall be automatically redeemed and re-invested unless the agent certifies in writing, to the Treasury, Financial Management Service, Washington, DC, that it declines automatic reinvestment within seven calendar days prior to maturity date.

**§ 348.3 Reservations.**

The Secretary reserves the right to reject any application for the purchase of securities hereunder, in whole or in part, and to refuse to issue or permit to be issued any such securities in any case if the Secretary deems such action to be in the public interest, and the Secretary's action in any such respect shall be final. The Secretary may also at any time, supplement or amend the terms of these regulations, or of any amendments or supplements thereto.