

§ 363.134

financial institution that you designated in your TreasuryDirect® account as your primary bank account.

§ 363.134 What regulations cover a zero-percent certificate of indebtedness?

The regulations in part 363 apply to a zero-percent certificate of indebtedness. We expressly disclaim representations or warranties regarding a zero-percent certificate of indebtedness that in any way conflict with these regulations and other applicable law.

§ 363.135 In what form is a zero-percent certificate of indebtedness issued?

A zero-percent certificate of indebtedness is issued in electronic form only in the TreasuryDirect® system.

§ 363.136 Do zero-percent certificates of indebtedness pay interest?

Zero-percent certificates of indebtedness do not pay any interest. However, the Secretary may prescribe a rate of interest, or change the interest rate, for zero-percent certificates of indebtedness by announcement at any time. The new rate would apply to zero-percent certificates of indebtedness issued thereafter, as provided in the announcement. The Secretary's determination of the rate will be final.

§ 363.137 What do I need to know about the registration of a zero-percent certificate of indebtedness?

A zero-percent certificate of indebtedness is automatically registered in the name of the TreasuryDirect® account owner.

[74 FR 19420, Apr. 29, 2009]

§ 363.138 Is Treasury liable for the purchase of a zero-percent certificate of indebtedness that is made in error?

We are not liable for any deposits of funds for the purchase of a zero-percent certificate of indebtedness that are made in error by your financial institution or employer.

[69 FR 50309, Aug. 16, 2004. Redesignated at 75 FR 70816, Nov. 19, 2010]

31 CFR Ch. II (7–1–12 Edition)

§ 363.139 May I transfer or deliver my zero-percent certificate of indebtedness?

A zero-percent certificate of indebtedness is nontransferable. You may not deliver a zero-percent certificate of indebtedness to another TreasuryDirect® account as a gift.

[69 FR 50309, Aug. 16, 2004. Redesignated at 75 FR 70816, Nov. 19, 2010]

§ 363.140 May a zero-percent certificate of indebtedness be pledged or used as collateral?

A zero-percent certificate of indebtedness may not be pledged or used as collateral for the performance of an obligation.

[69 FR 50309, Aug. 16, 2004. Redesignated at 70 FR 57437, Sept. 30, 2005, and further redesignated at 75 FR 70816, Nov. 19, 2010]

ZERO-PERCENT CERTIFICATE OF INDEBTEDNESS

§ 363.141 How do I purchase a zero-percent certificate of indebtedness?

(a) *Primary and linked accounts.* You may purchase a zero-percent certificate of indebtedness through one or more of the following four methods:

(1) Payroll deduction, in which your employer sends funds through the ACH method to your TreasuryDirect® account;

(2) Deposit by your financial institution, in which your financial institution sends funds by the ACH method to your TreasuryDirect® account on a recurring or one-time basis;

(3) Through the Buy Direct function of your TreasuryDirect® account, in which you direct us to debit funds from your financial institution account to purchase a zero-percent certificate of indebtedness. This method is limited to an amount no greater than \$1000 per transaction. When you use the Buy Direct function to debit funds to purchase all or a portion of a zero-percent certificate of indebtedness, you will not be permitted to schedule a redemption to your financial institution from the zero-percent certificate of indebtedness within five business days after the settlement date of the debit entry; and

Fiscal Service, Treasury

§ 363.147

(4) By using the proceeds from the redemption of a savings bond, the proceeds of a maturing security, or an interest payment from a security to purchase a zero-percent certificate of indebtedness.

(b) *Payroll savings plan.* You may purchase a payroll zero-percent certificate of indebtedness for your payroll savings plan through payroll deduction, in which your employer sends funds through the ACH method to your TreasuryDirect® payroll savings plan, or through a credit using the ACH method by your financial institution, in which your financial institution sends funds by the ACH method to your TreasuryDirect® payroll savings plan.

[75 FR 70816, Nov. 19, 2010]

§ 363.142 When is a zero-percent certificate of indebtedness issued?

A zero-percent certificate of indebtedness is issued the business day after the purchase transaction is made.

[69 FR 50309, Aug. 16, 2004. Redesignated at 75 FR 70816, Nov. 19, 2010]

§ 363.143 How do I purchase a security using the redemption proceeds of my zero-percent certificate of indebtedness?

You may purchase an eligible security by redeeming all or a portion of your zero-percent certificate of indebtedness and applying the proceeds toward the purchase of another eligible security. To do this, your zero-percent certificate of indebtedness must be of sufficient value to cover the cost of the security. If you are paying for a security using the redemption proceeds of a zero-percent certificate of indebtedness, you must pay the full amount of the purchase price of the security using the redemption proceeds.

[69 FR 50309, Aug. 16, 2004. Redesignated at 75 FR 70816, Nov. 19, 2010]

§ 363.144 Can I redeem my zero-percent certificate of indebtedness?

You can redeem part or all of the value of your zero-percent certificate of indebtedness at any time, with one exception: if you purchased all or a portion of your zero-percent certificate of indebtedness through a debit using the ACH method, you may not schedule

a redemption from your zero-percent certificate of indebtedness within five business days after the date of the debit entry.

[70 FR 57444, Sept. 30, 2005. Redesignated at 75 FR 70816, Nov. 19, 2010]

§ 363.145 May I delete a pending transaction involving a zero-percent certificate of indebtedness?

(a) You may delete a pending purchase of a zero-percent certificate of indebtedness initiated from your TreasuryDirect® account.

(b) You may delete a pending purchase of a security using a zero-percent certificate of indebtedness as payment.

(c) You may not delete a pending redemption of all or part of the value of a zero-percent certificate of indebtedness.

[69 FR 50309, Aug. 16, 2004. Redesignated at 75 FR 70816, Nov. 19, 2010]

PAYROLL ZERO-PERCENT CERTIFICATE OF INDEBTEDNESS

§ 363.146 Who may purchase a payroll zero-percent certificate of indebtedness?

Only an individual TreasuryDirect® account owner may purchase a payroll zero-percent certificate of indebtedness, only through his or her primary account, and only through the payroll savings plan.

[75 FR 70817, Nov. 19, 2010]

§ 363.147 How do I purchase a payroll zero-percent certificate of indebtedness?

You may purchase a payroll zero-percent certificate of indebtedness through your TreasuryDirect® account using your payroll savings plan. (See §§ 363.59 and 363.60 for more information on opening a payroll savings plan.) The only method of purchase for a payroll zero-percent certificate of indebtedness is a credit of funds from your employer or financial institution using the ACH method. You cannot purchase a payroll zero-percent certificate of indebtedness by using a debit from your financial institution.

[75 FR 70817, Nov. 19, 2010]