

### Subpart C—Debit Entries

#### § 370.20 What requirements apply if I want to authorize a debit entry to my deposit account?

(a) *General.* You may pay for a security and related fees by authorizing us to initiate one or more debit entries to your deposit account. For a purchase of a book-entry security to be held in an investor account maintained by us, you must be named on the investor account. The authorization must be accomplished only through forms or means approved by us.

(b) *Single-entry and recurring debit entries.* You only may authorize single-entry debits for purchases of book-entry securities held in *TreasuryDirect*. You only may authorize recurring debit entries for purchases of definitive savings bonds.

(c) *Credit entries to be made to same deposit account.* To the extent that payments by us with respect to a security are to be made through credit entries, you must receive debit and credit entries in the same deposit account.

(d) *Signature.* The authorization must have your signature and that of any other person whose signature is required to withdraw funds from the deposit account. We need not verify your identity or the authenticity of your signature.

#### § 370.21 Are there any requirements related to a prenotification entry?

(a) *Use of prenotification in our discretion.* In our discretion, we may initiate a prenotification entry to a financial institution prior to sending a debit entry. A prenotification is a zero-dollar ACH entry that can help us determine whether there might be problems with sending a subsequent debit entry.

(b) *Requirements placed upon financial institution that receives a prenotification.* If sent, a financial institution must respond to a prenotification within the time frame for such responses as established by the National Automated Clearing House Association. If the receiving financial institution does not respond to the prenotification message within the specified time period, we may interpret the nonresponsiveness as the financial institution's agreement to this subpart. Furthermore, a finan-

cial institution warrants by its nonresponsiveness that the deposit account number and the type of account contained in the prenotification entry message was accurate as of the moment the financial institution received it.

#### § 370.22 What requirements apply to a financial institution that debits a deposit account?

A financial institution that debits a deposit account upon receiving a debit initiated by us agrees to the provisions of this subpart. A financial institution that does so also warrants that it has the authority to receive debit entries.

#### § 370.23 What other requirements apply to a financial institution?

The financial institution warrants that it will comply with all requirements imposed upon Receiving Depository Financial Institutions under the Operating Rules of the National Automated Clearing House Association, as modified by these regulations and other law.

#### § 370.24 What right does the Bureau of the Public Debt have to terminate or suspend debit entries?

We may terminate or suspend the availability of one or more debit entries in any case or class of cases, and may do so without notice at any time. A decision to terminate or suspend the availability of debit entries is in our sole discretion and is final.

#### § 370.25 What rights do I have to terminate or suspend debit entries?

(a) *General.* If you are an investor account owner or deposit account owner, you generally may terminate or suspend one or more debit entries by notifying us orally or in writing at least three business days before the scheduled date of a transfer. In response to an oral notice, we may require you to give written notice, to be received by us within fourteen days of an oral notice. An oral notice ceases to be binding after fourteen days if you fail to provide the required written confirmation. A suspension will remain in effect for the duration you specify, but for no more than six months. The termination and suspension methods need