

Fiscal Service, Treasury

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with instructions and guidance regarding forwarding items. These instructions identify the specific types of redemption cases that should be forwarded and the processing instructions that paying agents must follow. These instructions are available from a TRS Site or online at www.treasurydirect.gov.

[77 FR 16167, Mar. 20, 2012]

Subpart G—Miscellaneous Provisions

§ 321.23 Paying agent fees and charges.

(a) *Fees.* Fees may be paid as outlined in this section. A schedule setting out the fees, and the basis on which they are computed and paid, is separately published in the FEDERAL REGISTER. Current information is available from a TRS Site or online at www.treasurydirect.gov.

(b) *Discontinuance, reduction, or delay in fees.* The Secretary may authorize, upon notice in the FEDERAL REGISTER, the discontinuance, reduction, or delay of fee payments.

(c) *Charges to presenters.* A paying agent shall not make any charge whatever to persons entitled to request payment of securities, for redeeming them under the provisions of this part.

[77 FR 16167, Mar. 20, 2012]

§ 321.24 Claims on account of lost securities.

If a security redeemed by an agent is lost, stolen or destroyed while in its custody or in transit prior to settlement, the agent's claim for reimbursement of the missing security's redemption value on the original payment date will be considered, provided the security can be identified by serial number.

§ 321.25 Payment and retention of definitive securities.

The definitive security must be presented and surrendered to the paying agent in order to receive payment. An agent is prohibited from accepting an image, or other copy or reproduction of the definitive security, for redemption or processing. To ensure that all transactions processed by agents are prop-

erly validated, agents must establish and comply with a retention period for definitive securities that are truncated and converted to an electronic image. At a minimum, the agent must retain such securities for a period of thirty calendar days following the date that the agent submitted the electronic image of the paid security to a Federal Reserve Processing Site. Agents may establish longer retention periods for definitive securities at their discretion.

[77 FR 16167, Mar. 20, 2012]

§ 321.26 Role of Federal Reserve Banks.

Federal Reserve Banks (including any Branch or office thereof, as appropriate) perform services as fiscal agents of the United States. These Federal Reserve Banks shall perform such services in connection with this part as may be requested by the Secretary of the Treasury, or a designee. These Federal Reserve Banks are authorized and directed to perform such duties, including the issuance of supplemental instructions and forms, as may be necessary to fulfill the purposes and requirements of these regulations. The instructions and guidance issued pursuant to § 321.27 set forth each Federal Reserve Bank that has been designated as a Federal Reserve Processing Site or as a TRS Site by the Secretary of the Treasury, or a designee.

[77 FR 16167, Mar. 20, 2012]

§ 321.27 Instructions and guidance.

(a) The Bureau of the Fiscal Service will provide Federal Reserve Processing Sites, TRS Sites, and paying agents with instructions and guidance on how to process redemption transactions. This information is available online at the Bureau of the Fiscal Service's Web site at www.treasurydirect.gov, Federal Reserve Processing Sites, and TRS Sites. Paying agents must follow these instructions and guidance.

(b) The Federal Reserve Operating Circular sets forth additional rights and obligations of paying agents with respect to redemption transactions. Additional instructions and guidance

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are available online at the Federal Reserve Bank Services Web site at *www.FRBservices.org*.

(c) Paying agents are required to process redemptions in accordance with the terms and conditions cited in paragraphs (a) and (b) of this section. The Secretary of the Treasury, or a designee, reserves the right to hold an agent liable whose failure to follow these instructions results in an incorrect amount being paid for a redeemed security.

[77 FR 16167, Mar. 20, 2012]

§ 321.28 Preservation of rights.

Nothing contained in this part shall limit or restrict any existing rights which holders of securities may have acquired under the offering circulars and the applicable regulations.

[53 FR 37511, Sept. 26, 1988. Redesignated at 77 FR 16167, Mar. 20, 2012]

§ 321.29 Supplements, amendments, or revisions.

The Secretary of the Treasury may, at any time or from time to time, revise, supplement, amend or withdraw, in whole or in part, the provisions of this part.

[53 FR 37511, Sept. 26, 1988. Redesignated at 77 FR 16167, Mar. 20, 2012]

APPENDIX TO PART 321—APPENDIX TO DEPARTMENT OF THE TREASURY CIRCULAR NO. 750, FOURTH REVISION

FISCAL SERVICE, BUREAU OF THE FISCAL SERVICE

Subpart A—General Information

1. *Purpose.* This appendix is issued for the guidance of banks and other financial institutions qualified as paying agents of United States Savings Bonds and United States Savings Notes (Freedom Shares) under the provisions of 31 CFR part 321 [Department of the Treasury Circular No. 750, Fourth Revision]. Its purpose is to provide information to supplement the regulations contained in the part and specific instructions for processing redemption and redemption-exchange transactions. The information and instructions are indexed to the sections and subsections of part 321 which they explain or expand.

2. *Other pertinent publications.* In addition to part 321, agents should be familiar with the provisions of the following publications:

(a) *Offering circulars.* Department of the Treasury Circulars, Fiscal Service Series

Nos. 1–80 (31 CFR part 351, Series EE bonds), 2–80 (31 CFR part 352, Series HH bonds), 1–98 (31 CFR part 359, Series I bonds), and 3–67 (31 CFR part 342, savings notes), and Department of the Treasury Circulars Nos. 653 (31 CFR part 316, Series E bonds) and 905 (31 CFR part 339, Series H bonds).

(b) *Regulations.* Department of the Treasury Circular, Fiscal Service Series No. 3–80 (Series EE and HH bonds); Department of the Treasury Circular, Fiscal Service Series 2–98 (Series I bonds); Department of the Treasury Circulars Nos. 530 (all other series of savings securities) and 888 (special endorsements); Federal Tax Regulations (26 CFR 1.6049); Federal Claims Collection Standards (4 CFR parts 101–105); Regulation J, Collection of Checks and Other Items and Wire Transfers of Funds (12 CFR part 210); and operating circulars issued by Federal Reserve Banks relating to the collection of cash items and Federal payments by ACH.

Subpart B—Procedures for Qualification

3. *Qualification of branches.* [Sec. 321.3(b)] Qualification of an institution as a paying agent automatically qualifies only its domestic branches. A foreign branch of a qualified paying agent may redeem securities provided settlement is made through a qualified facility located in the United States.

4. *Paying agent code numbers.* [§§ 321.3(b) and 321.13] The TRS Site may assign a four-digit code number to each agent it qualifies. A separate number may be assigned to each branch of the paying agent authorized to redeem and submit redeemed securities for its own account at a TRS Site. At the paying agent's request, only one four-digit code will be assigned for use by all of its branches.

5. *Requalification.* [§ 321.3(b)] If there has been a change in the corporate name of an agent, whether through merger, consolidation, sale of assets, or in any other manner, the agent may be asked by a TRS Site to requalify to reflect the change. Ordinarily, requalification is not required unless (a) the change results in a corporation that, under State law, cannot retain the rights of the corporation that ceased to exist, or (b) in the case of a purchase of assets and assumption of liability, the purchaser corporation is not a qualified paying agent.

6. *Announcement of authority.* [Sec. 321.3(c)] On and after the effective date of its qualification, a paying agent may appropriately announce or advertise its authority to redeem eligible securities for cash and in exchange for Series HH bonds. Such statements and notices should not, directly or indirectly, encourage the encashment of the securities. Two examples of acceptable statements for use in advertisements or displays are:

(a) “We are an authorized agent for payment of U.S. Savings Bonds and U.S. Savings Notes (Freedom Shares).”

31 CFR Ch. II (7–1–14 Edition)