

## Fiscal Service, Treasury

## § 357.27

(2) Sufficient information is provided to identify the Legacy Treasury Direct account.

(c) *Conditions for release.* A request for information will be honored only if, in the sole judgment of the Department or the Federal Reserve Bank to which the inquiry is made, the identity and right of the requester to the information have been established.

[51 FR 18265, May 16, 1986; 51 FR 18884, May 23, 1986]

### § 357.25 Security interests.

(a) *General.* The Department will not recognize any notice or claim of a lien, encumbrance, or security interest of any kind, including a pledge, in a security in Legacy Treasury Direct® except as provided in § 357.23 and in paragraph (b) of this section.

(b) *Security for the performance of duty or obligation under Federal law.* The Department will accept and hold pursuant to the provisions of 31 U.S.C. 9303, book-entry bonds, notes or bills submitted in lieu of a surety bond as security for the performance of a duty or obligation required by Federal law in accordance with said section.

### § 357.26 Direct Deposit.

(a) *General.* A payment by the Department with respect to a security shall be by direct deposit unless it is deemed necessary by the Department to make payment by another means. Direct Deposit payments are governed by the regulations at 31 CFR part 370.

(b) *Names on account.* Where the Legacy Treasury Direct® securities account is in the name of individual(s) in their own right, and the deposit account at the financial institution is in the name of individual(s) in their own right, the two accounts must contain at least one name that is common to both.

(c) *Inquiry to financial institution.* Where the deposit account to which payments are to be directed is held in the name of the financial institution itself acting as sole trustee, or as co-trustee, or is in the name of a commercially-managed investment fund, particular inquiry should first be made of the financial institution to make certain that the direct deposit payments

can be received, and alternate arrangements made if it cannot do so.

(d) *Payments to master account.* All payments relating to a single account master record must be made to the same designated account at a financial institution.

(e) *Deposit account.* The deposit account to which payments are directed should preferably be established in a form identical to the registration of the securities account, particularly where the securities are registered jointly or with right of survivorship, to assure that the rights of ownership and of survivorship can be more easily identified and preserved. Neither the United States nor any Federal Reserve Bank shall be liable for any loss sustained because the interests of the holder(s) of a deposit account to which payments are made are not the same as the interests of the owner(s) of the security.

(Approved by the Office of Management and Budget under control number 1535-0068)

[51 FR 18265, May 16, 1986, as amended at 57 FR 38774, Aug. 27, 1992; 61 FR 6113, Feb. 16, 1996; 64 FR 40487, July 26, 1999]

### § 357.27 Reinvestment.

(a) *General.* Upon the request of an owner, the redemption proceeds of a security may be reinvested at maturity in a new security in the same form of registration, provided a new security is then being offered by the Department and provision for reinvestment is made in the offering. The new security must be in an authorized denominational amount and will be issued in accordance with the terms of the offering. If the new security is issued at a premium or with accrued interest, an additional payment will be required from the investor. If the new security is issued at a discount, the difference will be remitted to the owner.

(b) *Treasury bills.* A request by an owner for a single or successive reinvestment of a Treasury bill must be made in accordance with the terms prescribed on the tender form submitted at the time of purchase of the original bill, or by a subsequent transaction request received not less than ten (10) business days prior to the maturity date of the bill. A request to revoke a direction to reinvest the proceeds of a