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§ 363.100 What are the rules for purchasing and delivering gift savings bonds to minors?

(a) A TreasuryDirect® account owner can purchase a savings bond as a gift with a minor as the recipient.

(b) An account owner can deliver a bond purchased as a gift to a minor. The account owner must deliver the security to the minor's linked account. Once delivered, the bond will be under the control of the custodian of the minor's account. (See § 363.27.)

[70 FR 57444, Sept. 30, 2005]

§ 363.101 Can an account owner transfer a book-entry savings bond to a minor?

An account owner can transfer a book-entry savings bond held in TreasuryDirect® to a minor as a gift or pursuant to one of the specified exceptions in § 363.55(a).

[70 FR 57444, Sept. 30, 2005]

§§ 363.102–363.124 [Reserved]

PAYMENT

§ 363.125 How is payment made on a book-entry savings bond?

We will make payment by the ACH method to the designated account at a United States depository financial institution.

§ 363.126 Under what circumstances will payment be made?

We will make payment:

(a) Upon your request for redemption prior to maturity;

(b) When the bond reaches final maturity; and

(c) If a person who becomes entitled to the bond is unable, unwilling or ineligible to open a TreasuryDirect® account.

§§ 363.127–363.129 [Reserved]

Subpart D—Zero-Percent Certificate of Indebtedness

SOURCE: 69 FR 50309, Aug. 16, 2004, unless otherwise noted.

31 CFR Ch. II (7–1–14 Edition)

GENERAL

§ 363.130 What does this subpart cover?

This subpart is the offering of the zero-percent certificate of indebtedness by the Secretary of the Treasury (Secretary), and will continue until suspended or terminated by the Secretary. This subpart is also the governing regulations for the zero-percent certificate of indebtedness.

§ 363.131 What is a TreasuryDirect® zero-percent certificate of indebtedness?

A TreasuryDirect® zero-percent certificate of indebtedness is a non-interest-bearing security that is issued daily, with a one-day maturity, which automatically rolls over at maturity until you request redemption. A zero-percent certificate of indebtedness has a minimum purchase amount of one cent. The only purpose of a zero-percent certificate of indebtedness is to accumulate funds for the purchase of another eligible security in the TreasuryDirect system. A zero-percent certificate of indebtedness within a minor's account is the property of the minor alone. The payroll zero-percent certificate of indebtedness is a restricted form of the zero-percent certificate of indebtedness that is held separately from the zero-percent certificate of indebtedness and used only for purchases made through the payroll savings plan.

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

§ 363.132 Can the sale of the zero-percent certificate of indebtedness be suspended?

The Secretary may suspend and rescind the suspension of sales of the zero-percent certificate of indebtedness by announcement at any time.

§ 363.133 What happens to my zero-percent certificate of indebtedness if the offering is terminated by the Secretary?

Upon the termination of this offering by the Secretary, the zero-percent certificate of indebtedness ceases to roll over; the proceeds will be paid by the ACH method to the bank account at a

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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]

§ 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