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PART 321—PAYMENTS BY BANKS AND OTHER FINANCIAL INSTITUTIONS OF DEFINITIVE UNITED STATES SAVINGS BONDS AND UNITED STATES SAVINGS NOTES (FREEDOM SHARES)

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

AUTHORITY: 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 321; 31 U.S.C. 3105, 3126.

SOURCE: 53 FR 37511, Sept. 26, 1988, unless otherwise noted.

Subpart A—General Information

§ 321.0 Purpose.

These regulations govern the manner in which financial institutions may qualify and act as paying agents for the redemption of:

(a) Definitive United States Savings Bonds of Series A, B, C, D, E, EE, and I, and United States Savings Notes (Freedom Shares), presented for cash payment; and

(b) Eligible definitive Series E and Series EE savings bonds and savings notes presented for redemption in exchange for Series HH savings bonds under the provisions of Department of the Treasury Circular, Fiscal Service Series No. 2–80 (31 CFR part 352).

[77 FR 16166, Mar. 20, 2012]

§ 321.1 Definitions.

ACH payment or *ACH* means an Automated Clearing House method of transferring funds under the provisions of 31 CFR part 210.

Beneficiary means an individual whose name is inscribed on a security as the person to whom it is payable in his or her right upon the prior death of the other individual designated thereon as owner, shown commonly in the form: ''A P.O.D. [payable on death to] B.''

Cash payment means payment in currency, by check or by credit to a checking, savings or share account.

Definitive security means a Treasury security held in paper form.

Federal Reserve Operating Circular means the operating circular referred to in § 321.27, issued by the Federal Reserve Banks, that provides instructions on the requirements for submitting definitive redeemed securities to a Federal Reserve Processing Site and sets forth the rights and obligations of paying agents with respect to such securities.

Federal Reserve Processing Site means a Federal Reserve Bank (including any Branch or office thereof, as appropriate) referred to in § 321.26 to which the paying agent, or institution acting on its behalf, is instructed to transmit redeemed securities for payment pursuant to the Federal Reserve Operating Circular.

Federal Reserve Treasury Retail Securities Site or *TRS Site* means a Federal Reserve Bank (including any Branch or office thereof, as appropriate) referred to in § 321.26 that is authorized to qualify paying agents and provide other fiscal agency services consistent with this part.

Legal Representative or *representative* means the court-appointed (or otherwise qualified) person, regardless of title, who is legally authorized to act for the estate of a minor, incompetent, aged person, absentee, et al., the court-appointed executor or administrator, regardless of title, who is legally authorized to act for a decedent's estate; and the trustee of a personal trust estate.

Paying agent or *agent* means:

(1) A financial institution that is qualified under the provisions of this part as originally issued, or any subsequent revision, to make payment of securities, and includes branches located within the United States, its territories and possessions, and the Commonwealth of Puerto Rico; and

(2) Any banking facilities of such institutions establishing at military installations overseas, provided the offering of such redemption services has been authorized by the Department of the Treasury.

Presenter means the individual requesting the redemption or redemption-exchange of securities.

Redemption and *payment* are used interchangeably for payment of a security in accordance with the terms of its offering and governing regulations, including redemption-exchange.

Redemption-exchange means the authorized redemption of eligible securities for the purpose of applying the proceeds in payment for other securities offered in exchange by the Treasury.

Registrant means a person whose name is inscribed on a security as owner, coowner, or beneficiary.

Security means a United States Savings Bond of Series A, B, C, D, E, EE, or I and/or a United States Savings Note (Freedom Share).

Taxpayer identifying number means a social security account number or an employer identification number.

[53 FR 37511, Sept. 26, 1988; 53 FR 39581, Oct. 7, 1988, as amended at 55 FR 35395, Aug. 29, 1990; 59 FR 10536, Mar. 4, 1994; 63 FR 38042, July 14, 1998; 76 FR 16166, Mar. 20, 2012]

Subpart B—Procedures for Qualification

§ 321.2 Eligible organizations.

(a) Organizations eligible to apply for qualification and to serve as paying agents are commercial banks, trust companies, savings banks, savings and loan associations, building and loan associations (including cooperative banks), credit unions, cash depositories, industrial banks, or similar financial institutions which:

(1) Are incorporated under Federal law or the laws of a State, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico;

(2) In the usual course of business accept, subject to withdrawal, funds for desposit or the purchase of shares;

(3) Are under the supervision of a federal or state regulatory agency or equivalent authority; and

(4) Maintain regular offices for the transaction of business.

(b) An organization that desires to redeem securities must first qualify as a paying agent. An organization that has qualified and is serving as a paying agent must:

(1) Submit redeemed securities directly to a Federal Reserve Processing Site in accordance with the Federal Reserve Operating Circular; and

(2) Have the ability to receive payment of applicable fees by ACH, or arrange to obtain one or more of these services from another financial institution.

[53 FR 37511, Sept. 26, 1988, as amended at 59 FR 10536, Mar. 4, 1994; 77 FR 16166, Mar. 20, 2012]