

SUBCHAPTER J—POSTAL SERVICE DEBT OBLIGATIONS; DISBURSEMENT POSTAL MONEY ORDERS

PART 760—APPLICABILITY OF TREASURY DEPARTMENT REGULATIONS

§ 760.1 Treasury Department regulations; applicability to Postal Service.

The provisions of Treasury Department Circular No. 300, 31 CFR part 306 (other than subpart O), as amended from time to time, shall apply insofar as appropriate to obligations of the U.S. Postal Service to the extent they are consistent with the Trust Indenture of the Postal Service and the agreement between the Postal Service and the Federal Reserve Bank of New York acting as Fiscal Agent of the United States on behalf of the Postal Service. Definitions and terms used in Treasury Department Circular 300 should be read as though modified to effectuate the application of the regulations to the U.S. Postal Service.

(39 U.S.C. Secs. 401, 402, 2005)

[37 FR 211, Jan. 7, 1972]

PART 761—BOOK-ENTRY PROCEDURES

Sec.

761.1 Definition of terms.

761.2 Authority of Reserve Banks.

761.3 Scope and effect of book-entry procedure.

761.4 Transfer or pledge.

761.5 Withdrawal of Postal Service securities.

761.6 Delivery of Postal Service securities.

761.7 Registered bonds and notes.

761.8 Servicing book-entry Postal Service securities; payment of interest, payment at maturity or upon call.

AUTHORITY: 39 U.S.C. 401, 402, 2005.

SOURCE: 37 FR 16801, Aug. 19, 1972, unless otherwise noted.

§ 761.1 Definition of terms.

In this part, unless the context otherwise requires or indicates:

(a) *Reserve Bank* means the Federal Reserve Bank of New York (and any other Federal Reserve Bank which agrees to issue Postal Service securities in book-entry form) as fiscal agent

of the United States acting on behalf of the Postal Service and when indicated acting in its individual capacity.

(b) *Postal Service security* means any obligation of the Postal Service issued under 39 U.S.C. 2005, in the form of a definitive Postal Service security or a book-entry Postal Service security.

(c) *Definitive Postal Service security* means a Postal Service security in engraved or printed form.

(d) *Book-entry Postal Service security* means a Postal Service security in the form of an entry made as prescribed in these regulations on the records of a Reserve Bank.

(e) *Pledge* includes a pledge of, or any other security interest in, Postal Service securities as collateral for loans or advances or to secure deposits of public moneys or the performance of an obligation.

(f) *Date of call* is the date fixed in the authorizing resolution of the Board of Governors of the Postal Service on which the obligor will make payment of the security before maturity in accordance with its terms.

(g) *Member bank* means any national bank, State bank, or bank or trust company which is a member of a Reserve bank.

§ 761.2 Authority of Reserve Banks.

Each Reserve Bank is hereby authorized, in accordance with the provisions of this part, to (a) issue book-entry Postal Service securities by means of entries on its records which shall include the name of the depositor, the amount, the loan title (or series) and maturity date; (b) effect conversions between book-entry Postal Service securities and definitive Postal Service securities; (c) otherwise service and maintain book-entry Postal Service securities; and (d) issue a confirmation of transaction in the form of a written advice (serially numbered or otherwise) which specifies the amount and description of any securities; that is, loan title (or series) and maturity date, sold or transferred, and the date of the transaction.

§ 761.3

39 CFR Ch. I (7-1-06 Edition)

§ 761.3 Scope and effect of book-entry procedure.

(a) A Reserve Bank as fiscal agent of the United States acting on behalf of the Postal Service may apply the book-entry procedure provided for in this part to any Postal Service securities which have been or are hereafter deposited for any purpose in accounts with it in its individual capacity under terms and conditions which indicate that the Reserve Bank will continue to maintain such deposit accounts in its individual capacity, notwithstanding application of the book-entry procedure to such securities. This paragraph is applicable, but not limited, to securities deposited:

(1) As collateral pledged to a Reserve Bank (in its individual capacity) for advances by it;

(2) By a member bank for its sole account;

(3) By a member bank held for the account of its customers;

(4) In connection with deposits in a member bank of funds of States, municipalities, or other political subdivisions; or,

(5) In connection with the performance of an obligation or duty under Federal, State, municipal, or local law, or judgments or decrees of courts.

The application of the book-entry procedure under this paragraph shall not derogate from or adversely affect the relationships that would otherwise exist between a Reserve Bank in its individual capacity and its depositors concerning any deposits under this paragraph. Whenever the book-entry procedure is applied to such Postal Service securities, the Reserve Bank is authorized to take all action necessary in respect of the book-entry procedure to enable such Reserve Bank in its individual capacity to perform its obligations as depository with respect to such Postal Service securities.

(b) A Reserve Bank as fiscal agent of the United States acting on behalf of the Postal Service may apply the book-entry procedure to Postal Service securities deposited as collateral pledged to the United States under Treasury Department Circulars Nos. 92 and 176, both as revised and amended, and may apply the book-entry procedure, with the approval of the Secretary of the

Treasury, to any other Postal Service securities deposited with a Reserve Bank as fiscal agent of the United States.

(c) Any person having an interest in Postal Service securities which are deposited with a Reserve Bank (in either its individual capacity or as fiscal agent of the United States) for any purpose shall be deemed to have consented to their conversion to book-entry Postal Service securities pursuant to the provisions of this part, and in the manner and under the procedures prescribed by the Reserve Bank.

(d) No deposits shall be accepted under this section on or after the date of maturity or call of the securities.

§ 761.4 Transfer or pledge.

(a) A transfer or pledge of book-entry Postal Service securities to a Reserve bank (in its individual capacity or as fiscal agent of the United States) or to the United States, or to any transferee or pledgee eligible to maintain an appropriate book-entry account in its name with a Reserve bank under this part, is effected and perfected, notwithstanding any provision of law to the contrary, by a Reserve bank making an appropriate entry in its records of the securities transferred or pledged. The making of such an entry in the records of a Reserve bank shall (1) have the effect of a delivery in bearer form of definitive Postal Service securities; (2) have the effect of a taking of delivery by the transferee or pledgee; (3) constitute the transferee or pledgee a holder; and (4) if a pledge, effect a perfected security interest therein in favor of the pledgee. A transfer or pledge of book-entry Postal Service securities effected under this paragraph shall have priority over any transfer, pledge, or other interest, theretofore or thereafter effected or perfected under paragraph (b) of this section or in any other manner.

(b) A transfer or a pledge of transferable Postal Service securities, or any interest therein, which is maintained by a Reserve bank (in its individual capacity or as fiscal agent of the United States) in a book-entry account under this part, including securities in book-entry form under § 761.3(a)(3), is effected, and a pledge is perfected, by

United States Postal Service

§ 761.6

any means that would be effective under applicable law to effect a transfer or to effect and perfect a pledge of the Postal Service securities, or any interest therein, if the securities were maintained by the Reserve bank in bearer definitive form. For purposes of transfer or pledge hereunder, book-entry Postal Service securities maintained by a Reserve bank shall, notwithstanding any provision of law to the contrary, be deemed to be maintained in bearer definitive form. A Reserve bank maintaining book-entry Postal Service securities either in its individual capacity or as fiscal agent of the United States is not a bailee for purposes of notification of pledges of those securities under this paragraph, or a third person in possession for purposes of acknowledgment of transfers thereof under this paragraph. Where transferable Postal Service securities are recorded on the books of a depository (a bank, banking institution, financial firm, or similar party, which regularly accepts in the course of its business Postal Service securities as a custodial service for customers, and maintains accounts in the names of such customers reflecting ownership of or interest in such securities) for account of the pledgor or transferor thereof and such securities are on deposit with a Reserve bank in a book-entry account hereunder, such depository shall, for purposes of perfecting a pledge of such securities or effecting delivery of such securities to a purchaser under applicable provisions of law, be the bailee to which notification of the pledge of the securities may be given or the third person in possession from which acknowledgment of the holding of the securities for the purchaser may be obtained. A Reserve bank will not accept notice or advice of a transfer or pledge effected or perfected under this paragraph, and any such notice or advice shall have no effect. A Reserve bank may continue to deal with its depositor in accordance with the provisions of this part, notwithstanding any transfer or pledge effected or perfected under this paragraph.

(c) No filing or recording with a public recording office or officer shall be necessary or effective with respect to

any transfer or pledge of book-entry Postal Service securities or any interest therein.

(d) A Reserve Bank shall, upon receipt of appropriate instructions, convert book-entry Postal Service securities into definitive Postal Service securities and deliver them in accordance with such instructions; no such conversion shall effect existing interests in such Postal Service securities.

(e) A transfer of book-entry Postal Service securities within a Reserve Bank shall be made in accordance with procedures established by the Bank not inconsistent with this part.

(f) All requests for transfer or withdrawal must be made prior to the maturity or date of call of the securities.

[37 FR 16801, Aug. 19, 1972, as amended at 38 FR 12919, May 17, 1973]

§ 761.5 Withdrawal of Postal Service securities.

(a) A depositor of book-entry Postal Service securities may withdraw them from a Reserve Bank by requesting delivery of like definitive Postal Service securities to itself or on its order to a transferee.

(b) Postal Service securities which are actually to be delivered upon withdrawal may be issued either in registered or in bearer form.

§ 761.6 Delivery of Postal Service securities.

A Reserve Bank which has received Postal Service securities and effected pledges, made entries regarding them, or transferred or delivered them according to the instructions of its depositor is not liable for conversion or for participation in breach of fiduciary duty even though the depositor had no right to dispose of or take other action in respect of the securities. A Reserve Bank shall be fully discharged of its obligations under this part by the delivery of Postal Service securities in definitive form to its depositor or upon the order of such depositor. Customers of a member bank or other depository (other than a Reserve Bank) may obtain Postal Service securities in definitive form only by causing the depositor of the Reserve Bank to order the withdrawal thereof from the Reserve Bank.

§ 761.7 Registered bonds and notes.

No formal assignment shall be required for the conversion to book-entry Postal Service securities of registered Postal Service securities held by a Reserve Bank (in either its individual capacity or as fiscal agent of the United States) on the effective date of this part for any purpose specified in § 761.3(a). Registered Postal Service securities deposited thereafter with a Reserve Bank for any purpose specified in § 761.3 shall be assigned for conversion to book-entry Postal Service securities. The assignment, which shall be executed in accordance with the provisions of part 760 of this subchapter and subpart F of 31 CFR part 306, so far as applicable, shall be to “Federal Reserve Bank of _____ as fiscal agent of the United States acting on behalf of the Postal Service for conversion to book-entry Postal Service securities.”

§ 761.8 Servicing book-entry Postal Service securities; payment of interest, payment at maturity or upon call.

Interest becoming due on book-entry Postal Service securities shall be charged in the Postal Service Fund on the interest due date and remitted or credited in accordance with the depositor’s instructions. Such securities shall be redeemed and charged in the Postal Service Fund on the date of maturity, call or advance refunding, and the redemption proceeds, principal and interest, shall be disposed of in accordance with the depositor’s instructions.

PART 762—DISBURSEMENT POSTAL MONEY ORDERS

Subpart A—General, Definitions, Issuance

- Sec.
- 762.11 General.
- 762.12 Definitions.
- 762.13 Issuance.
- 762.14 Amounts for which disbursement postal money orders may be issued.
- 762.15 Postal Service payments not made by disbursement postal money order.

Subpart B—Endorsements, Payment, Guaranties, Warranties and Processing of Disbursement Postal Money Orders

- 762.21 Scope.

- 762.22 Definitions.
- 762.23 General rules.
- 762.24 Guaranty of endorsements.
- 762.25 Reclamation of amounts of paid disbursement postal money orders.
- 762.26 Postal facilities not to cash disbursement postal money orders.
- 762.27 Processing of disbursement postal money orders by Federal Reserve Banks.
- 762.28 Release of original disbursement postal money orders.
- 762.29 Endorsement of disbursement postal money orders by payees.
- 762.30 Disbursement postal money orders issued to incompetent payees.
- 762.31 Disbursement postal money orders issued to deceased payees.

Subpart C—Issuance of Substitutes for Lost, Destroyed, Mutilated, and Defaced Disbursement Postal Money Orders

- 762.41 Advice of non-receipt or loss, destruction, or mutilation.
- 762.42 Request for substitute disbursement postal money orders; requirements for undertaking of indemnity.
- 762.43 Issuance of substitute disbursement postal money order.
- 762.44 Receipt or recovery of original disbursement postal money order.
- 762.45 Removal of stoppage of payment.

AUTHORITY: 39 U.S.C. 401(2), 401(3), 401(4), 401(10), and 404(6).

SOURCE: 40 FR 52371, Nov. 10, 1975, unless otherwise noted.

Subpart A—General, Definitions, Issuance

§ 762.11 General.

The Postal Service, at its discretion, issues a specialized postal money order, designated a Disbursement Postal Money Order in payment of Postal Service obligations. Disbursement Postal Money Orders are distinguishable on their face from other postal money orders in the following ways:

- (a) Disbursement Postal Money Orders have words of negotiability—“Pay to the order of”—printed on their face, while other postal money orders simply bear the words “Pay to” on their face;
- (b) Disbursement Postal Money Orders, unlike other postal money orders, bear on their face the phrase, “This special money order is drawn by the Postal Service to pay one of its own obligations.”; and
- (c) The amounts of Disbursement Postal Money Orders are printed in