

## Fiscal Service, Treasury

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under authority of the Securities Exchange Act of 1934. For the purpose of this part, we recognize the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchanges Medallion Program (SEMP), and the New York Stock Exchange, Inc., Medallion Signature Program (MSP). These certifications are acceptable for transfers of securities, but are not acceptable for offline account establishment.

*Single owner* means the individual named in the registration of a book-entry Treasury security or a converted savings bond without a beneficiary, secondary owner, or coowner.

*Social security account number* or *social security number (SSN)* means the identifying number required on tax returns and other documents submitted to the Internal Revenue Service by an individual. A SSN is composed of nine digits separated by two hyphens, for example, 123-45-6789.

*Taxpayer identification number (TIN)* means the identifying number required on tax returns and other documents submitted to the Internal Revenue Service; that is, an individual's social security number (SSN) or an employer identification number (EIN). A SSN is composed of nine digits separated by two hyphens, for example, 123-45-6789. An EIN is composed of nine digits separated by one hyphen, for example, 12-3456789. The hyphens are an essential part of the numbers.

*Tender* means an offer, or bid, to purchase a marketable Treasury security.

*Transaction* is any action affecting Treasury securities or account information.

*Transfer* is a transaction to move a security, or a portion of a security, from one account to another within TreasuryDirect, or to move a marketable Treasury security to or from a TreasuryDirect account and an account in Legacy Treasury Direct or the commercial book-entry system.

*Verification* means confirming the identity of an online applicant for a TreasuryDirect account at account establishment using a verification service.

*Verification service* means a public or private service that confirms the identity of an online applicant for a TreasuryDirect account at account es-

tablishment using information provided by the applicant.

*Voluntary representative* means the person qualified by the Department of the Treasury to accept payment or direct distribution of a decedent's securities pursuant to § 363.44.

*We, us, or our* refers to the Bureau of the Public Debt. The term includes the Secretary of the Treasury and the Secretary's delegates at the Treasury Department and Bureau of the Public Debt. The term also includes any fiscal or financial agent we designate to act on behalf of the United States.

*You or your* refers to a TreasuryDirect primary account holder.

[67 FR 64286, Oct. 17, 2002, as amended at 68 FR 24807, May 8, 2003; 69 FR 2507, Jan. 16, 2004; 69 FR 50308, Aug. 16, 2004; 70 FR 14942, Mar. 23, 2005; 70 FR 57433, Sept. 30, 2005; 70 FR 57442, Sept. 30, 2005; 72 FR 30978, June 5, 2007]

### Subpart B—General Provisions Governing Securities Held in TreasuryDirect

#### §§ 363.7–363.8 [Reserved]

#### § 363.9 What does this subpart cover?

This subpart provides general rules governing securities held within the TreasuryDirect® system. Provisions in the subparts governing specific securities that conflict with these general rules will supersede these general rules.

[70 FR 57433, Sept. 30, 2005]

#### § 363.10 What is a TreasuryDirect® account?

A TreasuryDirect account is an online account maintained by us solely in your name in which you may hold and conduct transactions in eligible book-entry Treasury securities.

(a) *Primary Account*. Your primary account that you establish when initially opening your TreasuryDirect account may contain the following Treasury securities:

(1) Treasury securities purchased initially as book-entry securities that are your personal holdings, in sole owner, owner with beneficiary, and primary owner with secondary owner forms of registration;

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(2) Gifts of savings bonds that have not yet been delivered;

(3) Converted savings bonds that you have transferred from your conversion linked account.

(b) *Linked account.* A linked account is an account that is a separate account from your primary account, but that is connected to your primary account. You use your primary account as a portal to open and access the linked account. Linked accounts include the following:

(1) *Custom account.* A custom account is an account that is linked to your primary account. You use your primary account as the portal to open and access your custom account. You may informally designate a purpose for the custom account, for example, “vacation fund”, or “Johnny’s college fund”. However, the designation as to purpose has no legal effect; the registration of the securities held in the custom account determines ownership (Annual purchase limitations include securities held in custom accounts). You may use your custom account to buy, redeem and transfer securities that you own in sole owner, owner with beneficiary, and primary owner with secondary owner forms of registration. You may also buy and deliver gift savings bonds from your custom account.

(2) *Minor account.* A minor account is an account established by a custodian for a person who has not yet reached the age of 18 years. A minor account is linked to the custodian’s primary account. The minor is the owner of the securities, but the custodian controls the account on behalf of the minor. (See § 363.27 for more information about minor accounts.)

(3) *Conversion account* means a linked account in TreasuryDirect that contains only savings bonds that have been converted from definitive bonds to book-entry bonds.

[69 FR 2507, Jan. 16, 2004, as amended at 70 FR 14943, Mar. 23, 2005. Redesignated at 70 FR 57433, Sept. 30, 2005, as amended at 70 FR 57442, Sept. 30, 2005]

### § 363.11 Who is eligible to open a TreasuryDirect® account?

In order to open a TreasuryDirect account, you must:

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(a) Have a valid social security number;

(b) Have a United States address of record;

(c) Have an account at a United States depository financial institution that will accept debits and credits using the Automated Clearing House method of payment;

(d) Be 18 years of age or over;

(e) Be legally competent; and

(f) Be an individual.

[67 FR 64286, Oct. 17, 2002. Redesignated at 70 FR 57433, Sept. 30, 2005]

### § 363.12 Who may purchase and hold book-entry securities in TreasuryDirect®?

(a) A TreasuryDirect account owner may purchase and hold securities through his or her account.

(b) We do not permit a legally incompetent person to open an account, purchase securities, or convert savings bonds once we have been provided with an order from a court with appropriate jurisdiction determining incompetence to perform such activities.

(c) We do not permit a legal representative, a legal guardian, or a voluntary representative to purchase securities on behalf of the estate of a decedent or an incompetent person.

(d) We may reject any application for the purchase of a security, in whole or in part. We may refuse to issue a security in any case or class of cases, if we deem the action to be in the public interest. Our decision in any such respect is final.

[70 FR 57433, Sept. 30, 2005]

### § 363.13 How can I open a TreasuryDirect® account?

You must establish a TreasuryDirect account online before you purchase a Treasury security to be held in your account. Instructions for online account establishment may be found at the official Public Debt website at <http://www.publicdebt.treas.gov>, or such other Internet address as Public Debt may from time to time announce by publication in the FEDERAL REGISTER. When you have completed the application, you will create a password to access your account. We will verify your identity and send your account number to you by e-mail when your account

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application is approved. In addition to your password, we may require you to use any other form(s) of authentication that we consider necessary for the protection of your account.

[67 FR 64286, Oct. 17, 2002. Redesignated at 70 FR 57434, Sept. 30, 2005, as amended at 72 FR 30978, June 5, 2007]

### § 363.14 How will you verify my identity?

We may use a verification service to verify your identity using information you provide about yourself on the online application. At our option, we may require offline verification.

[72 FR 30978, June 5, 2007]

### § 363.15 What is the procedure for offline verification?

In the event we require offline verification, we will provide a printable verification form. Your signature on the form must be certified or guaranteed as provided at § 363.43, and the form must be mailed to us at the address provided in § 363.5.

[67 FR 64286, Oct. 17, 2002. Redesignated at 70 FR 57434, Sept. 30, 2005, as amended at 72 FR 30978, June 5, 2007]

### § 363.16 How do I access my account?

You may access your account online using your account number, password, and any other form(s) of authentication that we may require.

[72 FR 30978, June 5, 2007]

### § 363.17 Who is liable if someone else accesses my TreasuryDirect® account using my password?

You are solely responsible for the confidentiality and use of your account number, password, and any other form(s) of authentication we may require. We will treat any transactions conducted using your password as having been authorized by you. We are not liable for any loss, liability, cost, or expense that you may incur as a result of transactions made using your password.

[72 FR 30978, June 5, 2007]

### § 363.18 Is Public Debt liable if the electronic transmission of my data is intercepted?

We are not liable for any interception of electronic data or communication.

[67 FR 64286, Oct. 17, 2002. Redesignated at 70 FR 57434, Sept. 30, 2005]

### § 363.19 What should I do if I become aware that my password or other form of authentication has become compromised?

If you become aware that your password has become compromised, that any other form of authentication has been compromised, lost, stolen, or misused, or that there have been any unauthorized transactions in your account, you may place a hold on your account so that it cannot be accessed by anyone, and you should notify us immediately by e-mail or telephone. Contact information is available on the TreasuryDirect Web site.

[72 FR 30978, June 5, 2007]

### § 363.20 What do I need to know about the forms of registration that are available for purchases of securities through my TreasuryDirect® account?

(a) *General principles.* (1) Registration must express the actual ownership of, and interest in, the security. Registration conclusively establishes ownership of a security.

(2) You must provide a last name and a first name for each individual included in the registration of the security.

(3) You must provide the valid taxpayer identification number for each person named in the registration of the security.

(b) *Forms of registration.* The forms of registration available for purchases of securities made through your TreasuryDirect account are single owner, owner with beneficiary, and primary owner with secondary owner, unless the forms of registration available for a security are specifically limited by the subpart governing that security.

(c) *Single owner.* (1) A single owner is the individual named in the registration of a book-entry security or a converted savings bond without a beneficiary, secondary owner, or coowner.

(2) A single owner may add a beneficiary or secondary owner.

(3) A single owner may conduct permitted online transactions on securities held in his or her account.

(4) Upon the death of the single owner, his or her estate is entitled to the security. In determining entitlement, the law of the decedent's domicile will be followed.

(5) Registration example: "John Doe, SSN 123-45-6789."

(d) *Owner with beneficiary.* (1) The purchaser must be named as the owner with another individual as beneficiary.

(2) The owner may remove or change the beneficiary without the consent of the beneficiary.

(3) The owner may conduct permitted online transactions on securities held in his or her account without the consent of the beneficiary.

(4) The beneficiary has no ownership rights to the security during the owner's lifetime. Upon the death of the owner, the security becomes the property of the surviving beneficiary, despite any attempted testamentary disposition or any applicable local law to the contrary.

(5) If the beneficiary does not survive the owner, the security belongs to the estate of the owner.

(6) If both the owner and the beneficiary die under conditions where it cannot be established, either by presumption of law or otherwise, who died first, the security is the property of the estate of the owner.

(7) In order for the beneficiary to obtain the security or the redemption proceeds after the death of the owner, the beneficiary must provide proof of death of the owner. If the beneficiary has a TreasuryDirect account, the security will be transferred to that account. If the beneficiary does not have an account, he or she may establish an account. Alternatively, a beneficiary named on a savings bond may request redemption. If the beneficiary requests redemption, he or she must provide ACH instructions for the payment.

(8) Registration example: "John Doe, SSN 123-45-6789 POD (payable on death to) Jane Doe, SSN 987-65-4321."

(e) *Primary owner with secondary owner.* (1) The purchaser must be named in the registration as the pri-

mary owner with another individual as secondary owner.

(2) The primary owner holds the securities in his or her account and may view or conduct permitted online transactions in the securities.

(3) The primary owner may remove the secondary owner without the consent of the secondary owner.

(4) The secondary owner has no rights to view or conduct transactions in any security unless the primary owner gives the secondary owner these rights.

(5) The primary owner may give the secondary owner the right to view any security or rights to view and conduct transactions in any security online from the account of the secondary owner.

(6) Once the right to conduct transactions in a security has been given to the secondary owner, the primary owner may view and conduct transactions in the security from his or her account, and the secondary owner may view and conduct transactions in the security using his or her own account.

(7) The primary owner may revoke any rights previously given to the secondary owner at any time.

(8) Upon the death of either the primary or secondary owner, the security becomes the property of the survivor, despite any attempted testamentary disposition or any applicable local law to the contrary.

(9) If both the primary and the secondary owner die under conditions where it cannot be established, either by presumption of law or otherwise, who died first, the security is the property of the estate of the primary owner.

(10) In order for the secondary owner to obtain the security or the security proceeds after the death of the primary owner, the secondary owner must provide proof of death of the primary owner. If the secondary owner has a TreasuryDirect account, the security will be transferred to that account. If the secondary owner does not have an account, he or she may establish an account. Alternatively, a secondary owner named on a savings bond may request redemption. If the secondary owner requests redemption, he or she must provide ACH instructions.

(11) Registration example: “John Doe, SSN 123-45-6789 with Joseph Doe, SSN 987-65-4321.”

[70 FR 57434, Sept. 30, 2005]

**§ 363.21 What transactions can I perform online through my TreasuryDirect® account?**

The following transactions are by way of illustration only, and are not intended to limit transactions that may be added to the system:

(a) You can purchase, transfer, and change the registration of an eligible Treasury security, including a transfer of a marketable security for a Sell Direct transaction;

(b) You can redeem a savings bond;

(c) You can deliver a gift savings bond to the account of the recipient;

(d) You can grant and revoke the right to view an eligible security to a secondary owner or beneficiary named on the security, if the secondary owner or beneficiary is a TreasuryDirect account owner;

(e) You, as the primary owner, can grant certain transaction rights to the secondary owner, and you can also revoke those rights. The secondary owner can exercise those rights, provided they have not been revoked, if the secondary owner is a TreasuryDirect account owner;

(f) You can make changes to your account information, including ACH information, password changes, and account security information;

(g) You can view a history of purchases, transactions, changes to account information, and pending transactions;

(h) You can schedule future transactions, and change or delete pending transactions;

(i) You can open and access any linked accounts using your primary account as a portal; and

(j) You can convert eligible definitive savings bonds to book-entry bonds.

[70 FR 14943, Mar. 23, 2005. Redesignated at 70 FR 57434, Sept. 30, 2005 and amended at 70 FR 57442, Sept. 30, 2005]

**§ 363.22 Who has the right to conduct online transactions in book-entry securities?**

(a) *Single owner form of registration.* A single owner can conduct transactions

in securities held in his or her TreasuryDirect account.

(b) *Owner with beneficiary form of registration.* The owner can conduct transactions in securities held in his or her TreasuryDirect account. The beneficiary has no rights during the lifetime of the owner and therefore cannot conduct transactions in the securities.

(c) *Primary owner with secondary owner form of registration.* (1) The primary owner can conduct any permitted transaction in a security held in the primary owner's TreasuryDirect account. (See § 363.20(e)).

(2) If the primary owner has given the secondary owner the right to conduct transactions in a security, and has not revoked that right, then the secondary owner can conduct transactions in the security. Transactions that may be conducted by the secondary owner include transferring a marketable security, including a transfer for a Sell Direct transaction, redeeming a savings bond, and changing the destination of interest and redemption payments for marketable securities.

(d) *Converted savings bonds.* The rules for transactions governing converted savings bonds are contained in subpart E of this part.

[70 FR 57434, Sept. 30, 2005 as amended at 70 FR 57443, Sept. 30, 2005]

**§ 363.23-363.24 [Reserved]**

**§ 363.25 How do I conduct transactions in my account or in Treasury securities held in my account?**

We will provide online instructions for conducting transactions through your account. If you are unable to conduct a transaction online, you should contact us at the address provided in § 363.5. Offline transactions will require a certified or guaranteed signature. See § 363.43 for instructions for obtaining a certified or guaranteed signature.

**§ 363.26 What is a transfer?**

(a) A transfer is a transaction to:

(1) Move a Treasury security, or a portion of a Treasury security, from one account to another within TreasuryDirect®;

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(2) Move a marketable Treasury security to or from a TreasuryDirect account and an account in Legacy Treasury Direct or the commercial book-entry system.

(b) Transfers of a specific type of security may be limited by the subparts that refer to that security.

(c) *Gift delivery is not a transfer.* A transfer does not include delivery of a gift savings bond from the donor to the recipient. This is referred to as a delivery.

[67 FR 64286, Oct. 17, 2002, as amended at 70 FR 57443, Sept. 30, 2005]

#### **§ 363.27 What do I need to know about accounts for minors who have not had a legal guardian appointed by a court?**

(a) We do not permit a minor to purchase securities.

(b) *Opening an account in the name of a minor.* (1) A parent or a person who provides the chief financial support of a minor may open an account for a minor. The person opening the account for a minor is referred to as the custodian of the minor's account.

(2) The custodian is a fiduciary for the minor as to the securities held in the minor's account.

(3) The custodian must have an existing primary TreasuryDirect® account in order to open the minor's account.

(i) The minor's account is an account that is linked to the custodian's primary account.

(ii) The custodian must use his or her primary TreasuryDirect account as a portal to open and access the minor's account.

(4) Securities contained in the minor's account will be registered in the name and SSN of the minor, in either sole owner, owner with beneficiary, or primary owner with secondary owner forms of registration.

(c) *Procedure for opening an account for a minor.* (1) Online instructions will be provided for establishing an account for a minor.

(2) The custodian must certify that all transactions conducted through the account will be on the minor's behalf.

(d) *Procedure for conducting transactions in the minor's account.* The custodian must conduct all transactions in the minor's account on behalf of the

minor. Access to the minor's account is through the custodian's primary account.

(e) *Transactions permitted in the minor's account.* (1) The custodian may purchase securities for and on behalf of the minor through the minor's account.

(2) The custodian may redeem savings bonds on behalf of the minor through the minor's account. We will report the interest earned on the security to the name and SSN of the minor.

(3) The custodian may not purchase gift savings bonds from the minor's account.

(4) The custodian may transfer a security to another TreasuryDirect account, provided the account is a linked account bearing the name and taxpayer identification number of the minor. The custodian can transfer a marketable Treasury security to an account in Legacy Treasury Direct or the commercial book-entry system, and may request a Sell Direct transaction.

(5) Securities may be transferred to the minor's account.

(6) Gift savings bonds may be delivered to the minor's account.

(7) The custodian may grant rights to view and conduct transactions in the security as may be permitted by § 363.22.

(8) The custodian may purchase a certificate of indebtedness on behalf of the minor. The certificate of indebtedness is the property of the minor.

(f) *When the minor reaches the age of 18 years.* (1) The only transactions that the custodian may make in the minor's account after the minor attains the age of 18 years are to purchase new securities, and to transfer the securities contained in the minor's account to another account in the name and SSN of the minor. The receiving account in the name and SSN of the minor may be a primary account established by the minor, or it may be another minor linked account with the same or a different custodian. The custodian may transfer one or more of the securities at a time, or the custodian may de-link the account and transfer all of the securities contained in the account to the minor's previously established primary TreasuryDirect account. The minor must establish his or her own

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primary TreasuryDirect account prior to transfer of his or her securities.

(2) In order to gain control of the securities held in the minor's account, the minor must first open his or her own primary account.

(3) The minor may gain control of the securities held in the minor's account by the custodian transferring the securities held in the minor's account to the minor's primary account, or the minor may request that Public Debt transfer the securities to his or her primary account.

(4) The minor may gain control of his or her certificate of indebtedness by the custodian de-linking the account and transferring the certificate of indebtedness to the minor's primary account, or the minor may request that Public Debt de-link the account and transfer the certificate of indebtedness to his or her primary account.

(g) *Liability.* We rely on the certification of the custodian that he or she is acting on behalf of the minor. We are not liable to the minor, or any other person or party acting on behalf of the minor, for the actions of the custodian, nor are we liable for the application of any proceeds from the transfer or redemption of securities held in the minor's account. The custodian agrees to indemnify and hold harmless the United States in the event that we suffer any loss on account of any claim relating to a minor account.

[69 FR 2507, Jan. 16, 2004, as amended at 69 FR 50309, Aug. 16, 2004; 70 FR 57443, Sept. 30, 2005]

### **§ 363.28 Does Public Debt reserve the right to require that any TreasuryDirect® transaction be conducted in paper form?**

We reserve the right to require any transaction to be conducted in paper form. Signatures on paper transactions must be certified or guaranteed as provided in § 363.43.

[70 FR 57434, Sept. 30, 2005]

### **§ 363.29 May Treasury close an account, suspend transactions in an account, or refuse to open an account?**

We reserve the right to take any of the following actions if, in our sole dis-

cretion, we deem the action to be in the best interests of the United States:

(a) Refuse to open an account for any person;

(b) Close any existing account, redeem, sell, or liquidate the securities held in the account, and pay the proceeds to the person entitled;

(c) Suspend transactions with respect to an account or any security held in an account; or

(d) Take any other action with regard to any account that we deem necessary, if not inconsistent with existing law and existing rights.

[70 FR 57434, Sept. 30, 2005, as amended at 72 FR 30978, June 5, 2007]

### **§§ 363.30–363.32 [Reserved]**

### **§ 363.33 Can an attorney-in-fact conduct transactions in my TreasuryDirect® account?**

(a) An attorney-in-fact who provides a copy of a durable power of attorney granting him or her the authority to conduct TreasuryDirect transactions on behalf of the owner may conduct transactions online.

(b) An attorney-in-fact who provides a copy of a limited power of attorney may only conduct transactions that he or she is permitted by his or her power. Such transactions will be through an offline process.

(c) A written copy of the power of attorney must be sent to the address provided in § 363.5. We may require any additional evidence that we consider necessary to support the power.

### **§ 363.34 What happens if an owner becomes incompetent after opening a TreasuryDirect® account?**

If we receive notice that the owner of a TreasuryDirect account has become incompetent, we will suspend all transactions in the account until we establish the authority of another person to act in his or her behalf.

[67 FR 64286, Oct. 17, 2002, as amended at 68 FR 24807, May 8, 2003]

### **§ 363.35 When is a transaction effective?**

A transaction is effective when we post it to our records.

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### **§ 363.36 What securities can I purchase and hold in my TreasuryDirect® account?**

You can purchase and hold eligible Treasury securities in your account. Eligible securities are Series EE and Series I savings bonds, certificates of indebtedness, and marketable Treasury securities that are available for purchase through the TreasuryDirect Web site. In addition, you can hold converted savings bonds and eligible marketable Treasury securities that have been transferred from the Legacy Treasury Direct system or the commercial book-entry system.

[70 FR 57443, Sept. 30, 2005]

### **§ 363.37 How do I purchase and make payment for eligible Treasury securities through my TreasuryDirect® account?**

(a) *Online purchase.* Purchases of eligible Treasury securities through your TreasuryDirect account must be made online.

(b) *Payment for savings bonds and marketable Treasury securities.* You can pay for eligible savings bonds and marketable Treasury securities by either a debit to your designated account at a United States financial institution using the ACH method, or by using the redemption proceeds of your certificate of indebtedness.

(c) *Payment for certificate of indebtedness.* You can pay for a certificate of indebtedness by a direct deposit from your financial institution or employer to your TreasuryDirect account using the ACH method; by a debit from your designated account at a financial institution using the ACH method, but the amount of the debit is limited to \$1000 or less; or by using the proceeds of maturing securities held in your Treasury Direct account.

[70 FR 57443, Sept. 30, 2005]

### **§ 363.38 What happens if my financial institution returns an ACH debit?**

If your designated financial institution returns an ACH debit, we reserve the right to reinitiate the debit at our option. We also reserve the right to reverse the transaction, thereby removing the security from your TreasuryDirect® account. If the ACH

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return occurs after the security has been redeemed, transferred, or has matured and the proceeds paid, we reserve the right to reverse previously processed security transactions. We are not responsible for any fees your financial institution may charge relating to returned ACH debits.

[70 FR 57443, Sept. 30, 2005]

### **§ 363.39 Will I receive a confirmation of my request to purchase a Treasury security?**

At the time that you submit a request to purchase a Treasury security through your TreasuryDirect® account, we will make available a printable online confirmation of your request. Final confirmation will occur when the security is issued into your account. You will not receive a mailed confirmation.

### **§ 363.40 How are payments of principal and interest made?**

(a) *Payment of a savings bond that has reached final maturity.* We will purchase a certificate of indebtedness in your TreasuryDirect® account using the proceeds of a matured savings bond.

(b) *Payments of interest and principal (except a savings bond that has reached final maturity).* (1) We provide two methods of receiving payments of principal and interest:

(i) Payment to your account at a financial institution by the ACH method, or

(ii) Payment to your TreasuryDirect account to purchase a certificate of indebtedness.

(2) You may select different payment destinations for principal and interest for a marketable Treasury security. You may change your payment destination at any time, unless the security is in the closed book period. (See § 363.210.)

(3) If we are unable to deliver a payment, we will use the payment to purchase a certificate of indebtedness in your TreasuryDirect account.

[70 FR 57443, Sept. 30, 2005]

### **§ 363.41 What happens if an ACH payment is returned to Public Debt?**

We will notify you electronically of the returned payment. We will hold



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your payment until you provide us with instructions. Returned payments will not earn interest. We reserve the right to redirect a returned payment to the bank account at a financial institution that you have designated in your TreasuryDirect® account as your primary bank account, if that account is different from the one that returned the payment to us. We are not responsible for any fees your financial institution may charge relating to returned ACH payments.

withdraw your consent to receive tax reporting forms by electronic means, we reserve the right to redeem any savings bonds held in your account and close your account.

[67 FR 64286, Oct. 17, 2002, as amended at 70 FR 57435, Sept. 30, 2005]

[69 FR 50308, Aug. 16, 2004]

**§ 363.42 How will my interest income be reported for tax purposes?**

When you open your TreasuryDirect® account, you consent to receive the appropriate tax reporting forms by electronic means. We will notify you when your tax reporting forms are available. The form will be available in printable form through your TreasuryDirect account. If you

**§ 363.43 What are the procedures for certifying my signature on an offline application for a TreasuryDirect® account, or on an offline transaction form?**

(a) *Certification within the United States.* For certifications within the United States, the certifying individual must be authorized to bind his or her institution by his or her acts, to guarantee signatures to assignments of securities, or to certify assignments of securities. The following table provides a list of authorized certifying individuals and the required evidence of authority. Members of Treasury-recognized signature guarantee programs are for security transfers only.

Who can certify signatures in the U.S.	Evidence of certifying individual's authority
(1) Officers and employees of depository institutions .....	(i) We require the institution's seal or signature guarantee stamp. (ii) If the institution is an authorized paying agent for U.S. Savings Bonds, we require a legible imprint of the paying agent's stamp.
(2) Institutions that are members of Treasury—recognized signature guarantee programs (for security transfers only).	We require the imprint of the signature guarantee stamp, i.e., the STAMP, SEMP, or MSP stamp for members of the Securities Transfer Agents Medallion Program, the Stock Exchanges Medallion Program, or the New York Stock Exchange Inc. Medallion Signature Program. We require the entity's seal.
(3) Officers and employees of corporate central credit unions, Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives, the Central Bank for Cooperatives, and Federal Home Loan Banks.	We require the entity's seal.
(4) Commissioned or warrant officers of the United States Armed Forces, for signatures executed by Armed Forces personnel, civilian field employees, and members of their families.	(i) We require a statement that the person executing the assignment is one whose signature the officer is authorized to certify under our regulations. (ii) The certifying official's rank must be shown.
(5) A judge or clerk of the court .....	We require the seal of the court.
(6) Other persons as designated by the Commissioner or Deputy Commissioner of Public Debt.	Evidence is determined by our procedures.

(b) *Certification within foreign countries.* The following table lists the authorized certifying individuals for for-

foreign countries and the required evidence of the individual's authority.

Who can certify signatures in foreign countries	Evidence of certifying individual's authority
(1) United States diplomatic or consular officials .....	(i) We require the seal or stamp of the office. (ii) If there is no seal or stamp, then we require certification by some other authorized individual, under seal or stamp.

Who can certify signatures in foreign countries	Evidence of certifying individual's authority
(2) Managers and officers of foreign branches of U.S. depository institutions and institutions that are members of Treasury-recognized signature guarantee programs (for security transfers only).	We require the seal of the depository institution, or the imprint of the signature guarantee stamp, i.e., the STAMP, SEMP, or MSP stamp for members of the Securities Transfer Agents Medallion Program, the Stock Exchanges Medallion Program, or the New York Stock Exchange Incorporated Medallion Signature Program.
(3) Notaries Public and other officers authorized to administer oaths, provided their authority is certified by a United States diplomatic or consular official.	(i) We require the official seal or stamp of the office. (ii) If there is no seal or stamp, the position must be certified by some other authorized individual, under seal or stamp, or otherwise proved to our satisfaction.

(c) *Duties and liabilities of certifying individuals.* (1) The certifying individual must first establish the identity of the signer.

(2) The form must be signed in the presence of the certifying individual.

(3) If the certifying individual is not an officer, the certifying individual must insert the words "Authorized Signature" in the space provided for the title.

(4) If the certifying individual is negligent in making the certification, the certifying individual and his or her organization are jointly and severally liable for any loss the United States may incur as a result of the negligence.

(d) *Guaranteed signatures.* (1) A security or other form requiring certification need not be executed in the presence of a certifying individual if the signature is unconditionally guaranteed by the certifying individual. To guarantee a signature, the certifying individual must add a dated endorsement after the signature. For example:

Signature guaranteed, First National Bank of Smithville, Smithville, NH, by A. B. Doe, President, dated 1/1/2001.

(2) The certifying individual and his or her organization unconditionally guarantee to us that the signature is genuine and the signer had the legal capacity to execute the assignment or related form.

(e) *Guaranteed absence of a signature.* (1) A form requiring a certified signature need not be signed when a certifying individual associated with a depository financial institution places the following endorsement on the security or the form:

Absence of signature by owner and validity of transaction guaranteed, Second State Bank of Jonesville, Jonesville, NC, by B. R. Butler, Vice President, dated 11/1/2001.

(2) The endorsement must be dated and the seal of the institution must be added.

(3) This form of endorsement is an unconditional guarantee to us that the institution is acting for the signer under proper authorization.

(f) *Persons who cannot act as certifying individuals.* Any person having an interest in a security involved in the transaction cannot act as a certifying individual. However, an authorized officer or employee of a depository financial institution that is a member of a Treasury-recognized signature guarantee program can act as a certifying individual for transfer of a security to the institution or on behalf of the institution.

[67 FR 64286, Oct. 17, 2002, as amended at 70 FR 57435, Sept. 30, 2005]

**§ 363.44 What happens when a TreasuryDirect® account owner dies and the estate is entitled to securities held in the account?**

(a) *Estate is being administered.* (1) For an estate that is being administered, the legal representative of the estate may request payment of securities, if the securities are eligible for payment, to the estate or to the persons entitled, or may:

(i) Request transfer of securities to the TreasuryDirect account of the persons entitled, if the securities are eligible for transfer;

(ii) Request transfer of marketable Treasury securities to the commercial book-entry system; or

(iii) Request a Sell Direct transaction.

(2) We will require appropriate proof of appointment for the legal representative of the estate. Letters of appointment must be dated not more than one

year prior to the date of submission of the letters of appointment.

(3) The legal representative of the estate may not purchase securities on behalf of the estate.

(4) If payment is requested, we will require ACH instructions to process the request.

(b) *Estate has been settled previously.* If the estate has been settled previously through judicial proceedings, the persons entitled may request payment of securities, if the securities are eligible for redemption, or may transfer the securities to the TreasuryDirect accounts of the persons entitled, if the securities are eligible for transfer. We will require a certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence. If payment is requested, we will require ACH instructions to process the request.

(c) *Special provisions under the law of the jurisdiction of the decedent's domicile.* If there is no formal or regular administration and no representative of the estate is to be appointed, the person appointed to receive or distribute the assets of a decedent's estate without regular administration under summary or small estates procedures under applicable local law may request payment of securities, if the securities are eligible for redemption, or may transfer the securities to or on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death, if the securities are eligible for transfer. We will require appropriate evidence. If payment is requested, we will require ACH instructions to process the request.

(d) *When administration is required.* If the total redemption value of the Treasury securities and undelivered payments, if any, held directly on our records that are the property of the decedent's estate is greater than \$100,000, administration of the decedent's estate will be required. The redemption value of savings bonds and the principal amount of marketable securities will be used to determine the value of securities, and will be determined as of the date of death. Administration may also be required at the discretion of the Department for any case.

(e) *Voluntary representative for small estates that are not being otherwise administered—(1) General.* A voluntary representative is a person qualified according to paragraph (e)(3) of this section, to redeem or transfer a decedent's securities. The voluntary representative procedures are for the convenience of the Department; entitlement to the decedent's securities and held payments, if any, is determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. Voluntary representative procedures may be used only if:

(i) There has been no administration, no administration is contemplated, and no summary or small estate procedures under applicable local law have been used;

(ii) The total redemption value of the Treasury securities and held payments, if any, held directly on our records that are the property of the decedent's estate is \$100,000 or less, as of the date of death, and

(iii) There is a person eligible to serve as the voluntary representative according to paragraph (e)(3) of this section.

(2) *Authority of voluntary representative.* A voluntary representative may:

(i) Redeem the decedent's savings bonds that are eligible for redemption. Payment may be made to the voluntary representative on behalf of or directly to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death;

(ii) Transfer the decedent's securities to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death.

(3) *Order of precedence for voluntary representative.* An individual eighteen years of age or older may act as a voluntary representative according to the following order of precedence: a surviving spouse; if there is no surviving spouse, then a child of the decedent; if there are none of the above, then a descendant of a deceased child of the decedent; if there are none of the above, then a parent of the decedent; if there are none of the above, then a brother or sister of the decedent; if there are none of the above, then a descendant of

a deceased brother or sister of the decedent; if there are none of the above, then a next of kin of the decedent, as determined by the laws of the decedent's domicile at the date of death. As used in this order of precedence, child means a natural or adopted child of the decedent.

(4) *Liability.* By serving, the voluntary representative warrants that the distribution of payments or securities are to or on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death. The United States is not liable to any person for the improper distribution of payments or securities. Upon payment or transfer of the securities to the voluntary representative, the United States is released to the same extent as if it had paid or delivered to a representative of the estate appointed pursuant to the law of the jurisdiction in which the decedent was domiciled at the date of death. The voluntary representative shall indemnify and hold harmless the United States and all creditors and persons entitled to the estate of the decedent. The amount of the indemnification is limited to an amount no greater than the value received by the voluntary representative.

(5) *Creditor.* If there has been no administration, no administration is contemplated, no summary or small estate procedures under applicable local law have been used, and there is no person eligible to serve as a voluntary representative pursuant to paragraph (e) of this section, then a creditor may make a claim for payment of the amount of the debt, providing the debt has not been barred by applicable local law.

[70 FR 57435, Sept. 30, 2005, as amended at 70 FR 57443, Sept. 30, 2005]

**§ 363.45 What are the rules for judicial and administrative actions involving securities held in TreasuryDirect ®?**

(a) *Notice of adverse claim or pending judicial proceedings.* We are not subject to and will not accept a notice of an adverse claim or notice of pending judicial proceedings involving a security held in TreasuryDirect.

(b) *Competing claims to a security.* The Department of the Treasury, Public Debt, and the Federal Reserve Banks are not proper defendants in a judicial proceeding involving competing claims to a security held in TreasuryDirect.

(c) *Divorce decree.* We will recognize a divorce decree that either disposes of a security held in TreasuryDirect or ratifies a property settlement agreement disposing of a security that is the property of either of the parties. If the divorce decree does not set out the terms of the property settlement agreement, we will require a certified copy of the agreement.

(d) *Final court order.* We will recognize a final order entered by a court that affects ownership rights in a security held in TreasuryDirect only to the extent that the order is consistent with the provisions of this part. The owner of the security must be a party to the proceedings.

(e) *Levy to satisfy money judgment.* We will honor a transaction request submitted by a person appointed by a court and having authority under an order of a court to dispose of a security held in TreasuryDirect pursuant to a money judgment against the owner of the security, as owner is defined in section 363.6 of this part. In the case of savings bonds, we will only make payment pursuant to the court order to the extent of the money judgment. We will not transfer the savings bonds.

(f) *IRS levy.* We will honor an IRS notice of levy under section 6331 of the Internal Revenue Code with respect to:

(1) The owner, as owner is defined in section 363.6 of this part; and

(2) A secondary owner, if the secondary owner has the right to conduct transactions in a security at the date and time the notice of levy is delivered to Public Debt.

(g) *Trustee in bankruptcy, a receiver of an insolvent's estate, a receiver in equity, or a similar court officer.* We will honor a transaction request submitted by a trustee in bankruptcy, a receiver of an insolvent's estate, a receiver in equity, or a similar court officer, if the original court order is against the owner, as owner is defined in § 363.6 of this part. In the case of savings bonds, we will only make payment. We will not transfer the savings bonds.

(h) *Court order that attempts to defeat or impair survivorship rights.* We will not recognize a court order that attempts to defeat or impair the survivorship rights of a beneficiary, secondary owner, coowner of a converted savings bond, or the registered owner of an undelivered gift security held in TreasuryDirect.

[70 FR 57435, Sept. 30, 2005]

**§ 363.46 What evidence is required to establish the validity of judicial proceedings?**

(a) We will require certified copies of the final judgment, decree, or court order, and any necessary supplementary proceedings.

(b) A transaction request by a trustee in bankruptcy or a receiver of an insolvent's estate must be supported by evidence of appointment and qualification.

(c) A transaction request by a receiver in equity or a similar court officer (other than a receiver of an insolvent's estate) must be supported by a copy of an order that authorizes the receiver or similar court officer to take possession and control of the security.

[70 FR 57435, Sept. 30, 2005]

**§ 363.47 Will Public Debt pay Treasury securities pursuant to a forfeiture proceeding?**

(a) *General.* We will honor a judicial or administrative forfeiture order or declaration of forfeiture submitted by a federal agency. We will rely exclusively upon the information provided by the Federal forfeiting agency and will not make any independent evaluation of the validity of the forfeiture order, the request for payment, or the authority of the individual signing the transaction request. The amount to be paid or transferred is limited to the value of the security as of the date of forfeiture.

(b) *Definition of special terms relating to forfeitures.*

*Contact point* means the individual designated by the Federal investigative

agency, United States Attorney's Office, or forfeiting agency, to receive referrals from Public Debt.

*Forfeiting agency* means the federal law enforcement agency responsible for the forfeiture.

*Forfeiture* means the process by which property may be forfeited by a federal agency. Administrative forfeiture is forfeiture by a federal agency without judicial proceedings resulting in a declaration of forfeiture; judicial forfeiture is a forfeiture through either a civil or criminal proceeding in a United States District Court resulting in a final judgment and order of forfeiture.

(c) *Procedures for a forfeiting agency to request forfeiture of Treasury securities.* A forfeiting agency must request forfeiture. An individual authorized by the forfeiting agency must sign the transaction request. The request must be mailed to the Department of the Treasury, Bureau of the Public Debt, Parkersburg, WV 26106-7015.

(d) *Public Debt procedures upon receipt of forfeiture request.* Upon receipt and review of the transaction request, we will make payment to the forfeiture fund specified, if the security is eligible for payment, or we will transfer the security pursuant to the transaction request. We will record the forfeiture, the forfeiture fund into which the proceeds were paid or the security transfer records, the contact point, and any related information.

(e) *Inquiries from previous owner.* All inquiries or claims from the previous owner will be referred to the contact point of the forfeiting agency. We will tell the person who inquired that we referred his or her inquiry to the contact point. We will not investigate the inquiry. We will defer to the forfeiting agency's determination of the appropriate course of action, including settlement where appropriate. Any settlement will be paid from the forfeiture fund into which the proceeds were deposited.

[70 FR 57436, Sept. 30, 2005]

**§§ 363.48–363.49**

**31 CFR Ch. II (7–1–07 Edition)**

**§§ 363.48–363.49 [Reserved]**

**Subpart C—Book-Entry Savings  
Bonds Purchased Through  
TreasuryDirect**

GENERAL

**§ 363.50 What Treasury securities does  
this subpart govern?**

This subpart governs:

(a) Series EE and Series I book-entry savings bonds that were originally issued as book-entry bonds through TreasuryDirect®; and

(b) Converted savings bonds that are registered in:

(1) The single owner form of registration of any series,

(2) The owner with beneficiary form of registration of Series EE and Series I savings bonds,

(3) The owner with beneficiary form of registration of Series E savings bonds in which the beneficiary has consented to a change in the registration of the bond after conversion, and

(4) The coowner form of registration of any series in which the non-converting coowner has consented to a change in the registration of the bond after conversion.

[70 FR 14943, Mar. 23, 2005]

**§ 363.51 [Reserved]**

**§ 363.52 What amount of book-entry  
Series EE and I savings bonds may  
I purchase in one year?**

(a) *Purchase limitation.* The amount of bonds that you may purchase in any calendar year is limited to \$30,000 for Series EE savings bonds, and \$30,000 for Series I savings bonds.

(b) *Computation of amount for gifts.* Bonds purchased or transferred as gifts will be included in the computation of the purchase limitation for the account of the recipient for the year in which the bonds are delivered to the recipient.

[67 FR 64286, Oct. 17, 2002, as amended at 68 FR 24807, May 8, 2003]

**§ 363.53 What is the minimum amount  
of book-entry savings bonds that I  
may purchase in any transaction?**

Each bond purchase must be in a minimum amount of \$25, with addi-

tional one-cent increments above that amount, in any one transaction. For example, a purchase may be \$25.00, \$25.01, \$25.02, or \$25.03, and so forth.

**§ 363.54 What is the minimum amount  
of a book-entry savings bond that I  
must hold in my account?**

Each bond held in your account must have a redemption value of at least \$25. If you request a transaction that would reduce the remaining redemption value of the bond to an amount less than \$25, we will not permit the transaction to occur.

**§ 363.55 May I transfer my book-entry  
savings bonds to another person?**

(a) You may transfer a savings bond or a portion of a savings bond to the TreasuryDirect®; account of another individual in a minimum amount of \$25. The transfer may only be made as a gift or in response to a final judgment, court order, divorce decree, or property settlement agreement. You must certify online that the transfer is a gift or a specified exception.

(b) We do not permit the transfer of savings bonds for consideration, unless it is an exception specified in paragraph (a) of this section.

(c) The bond will be transferred in the single owner form of registration.

(d) We reserve the right to limit the transferability of savings bonds at any time by amendment to these regulations.

[67 FR 64286, Oct. 17, 2002, as amended at 68 FR 24807, May 8, 2003; 70 FR 57436, Sept. 30, 2005]

**§ 363.56 What is the minimum amount  
of book-entry savings bonds that I  
may transfer in any one trans-  
action?**

Each transfer must be in a minimum amount of \$25 redemption value, with additional one-cent increments above that amount, in any one transaction. For example, you may transfer \$25.00, \$25.01, \$25.02, or \$25.03, and so forth. Transfers will be comprised of principal and proportionate interest.