

§ 363.163 How do I convert an eligible definitive savings bond?

We will provide online instructions for converting your definitive savings bond. You must surrender to us the definitive bond to be converted at the time of conversion.

§ 363.164 Is a converted savings bond eligible to be converted back into a definitive bond?

Once a definitive savings bond has been converted to a book-entry bond, it may not be converted back into a definitive bond.

§ 363.165 What happens when I convert a savings bond that is registered in my name as a single owner, either coowner, an owner with a beneficiary, or an entity?

(a) *Unmatured savings bond.* When the conversion is approved, an unmatu- red savings bond that is registered in the name of the TreasuryDirect® account owner as a single owner, either co- owner, an owner with beneficiary, or an entity, will be released to the ac- count owner's conversion linked ac- count.

(b) *Matured savings bond.* A savings bond that has reached final maturity and is registered in the name of the TreasuryDirect account owner as a sin- gle owner, either coowner, an owner with beneficiary, or an entity, will be converted to a book-entry savings bond and automatically redeemed. The re- demption proceeds will be used to pur- chase a certificate of indebtedness in the account owner's name in the pri- mary account.

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§ 363.166 What happens when I convert a savings bond that is not reg- istered in my name as owner, either coowner, or owner with beneficiary (including a bond registered in the name of a minor)?

We will presume that a savings bond registered in the name of someone other than the TreasuryDirect® ac- count owner (including a bond reg- istered in the name of a minor) was purchased by the account owner as a gift for the registered owner. We will not permit an entity to convert a sav-

ings bond that is not registered in the name of the entity.

(a) *Unmatured savings bond—(1) Gen- eral.* An unmatu red savings bond reg- istered in the name of someone other than the account owner will be con- verted to a book-entry bond, released as a gift bond to the account owner's conversion linked account, and held until delivered to the TreasuryDirect account (or minor linked account, if the registered owner is a minor) of the registered owner.

(2) *Delivery of unmatu red gift bond to registered owner.* The TreasuryDirect account owner may deliver the con- verted gift bond to the TreasuryDirect account (or minor linked account, if the registered owner is a minor) of the registered owner, or, if the bond is reg- istered in the coowner form of registra- tion, to the account of either coowner. A bond registered in coowner or owner with beneficiary form of registration will retain the coowner or beneficiary form of registration upon delivery.

(b) *Savings bond that has reached final maturity—(1) General.* A savings bond that has reached final maturity and is registered in the name of someone other than the account owner will be converted to a book-entry bond, re- leased as a gift bond into the account owner's conversion linked account, and automatically redeemed. We will hold the redemption proceeds in the name of the registered owner of the definitive bond until the proceeds are delivered to the TreasuryDirect account (or minor linked account, if the registered owner is a minor) of the registered owner.

(2) *Delivery of bond proceeds to reg- istered owner.* If the gift bond has reached final maturity and has been automatically redeemed, then the Treasury Direct account owner may di- rect that the held redemption proceeds be delivered to the Treasury Direct ac- count of the registered owner (or minor linked account, if the registered owner is a minor), where we will use the pro- ceeds to purchase a certificate of in- debtedness in the name of the reg- istered owner. If the bond is registered in the coowner form of registration, the account owner may direct that the held redemption proceeds be delivered to the account of either coowner,