§ 1314.5
(d) To the extent not otherwise inconsistent with this part 1314, and notwithstanding any provision in the Securities Documentation setting forth a choice of law, the provisions set forth in 31 CFR 357.11 regarding law governing other interests apply and should be read as though modified to effectuate the application of 31 CFR 357.11 to Book-entry TVA Power Securities.


§ 1314.5 Creation of Participant’s Security Entitlement; security interests.

(a) A Participant’s Security Entitlement is created when a Reserve Bank indicates by book-entry that a Book-entry TVA Power Security has been credited to a Participant’s Security Account.

(b) A security interest in a Security Entitlement of a Participant in favor of the United States to secure deposits of public money, including without limitation deposits to the Treasury tax and loan accounts, or other security interest in favor of the United States that is required by Federal statute, regulation or agreement, and that is marked on the books of a Reserve Bank, is thereby effected and perfected, and has priority over any other interest in the securities. Where a security interest in favor of the United States in a Security Entitlement of a Participant is marked on the books of a Reserve Bank, such Reserve Bank may rely, and is protected in relying, exclusively on the order of an authorized representative of the United States directing the transfer of the security. For purposes of this paragraph, an “authorized representative of the United States” is the official designated in the applicable regulations or agreement to which a Reserve Bank shall be treated as a security interest in favor of a Reserve Bank in a Security Entitlement marked on the books of a Reserve Bank shall have priority over any other interest in the securities.

(d) In addition to the method provided in paragraph (c) of this section, a security interest, including a security interest in favor of a Reserve Bank, may be perfected by any method by which a security interest may be perfected under applicable law as described in §1314.4(b) or (d). The perfection, effect of perfection or non-perfection, and priority of a security interest are governed by such applicable law. A security interest in favor of a Reserve Bank shall be treated as a security interest in favor of a clearing corporation in all respects under such law, including with respect to the effect of perfection and priority of such security interest. A Reserve Bank Operating Circular shall be treated as a rule adopted by a clearing corporation for such purposes.


§ 1314.6 Obligations of TVA.

(a) Except in the case of a security interest in favor of the United States or a Reserve Bank or otherwise as provided in §1314.5(c), for the purposes of this part 1314, TVA and Reserve Banks shall treat the Participant to whose securities account an interest in a security has been credited as the Person exclusively entitled to issue a transfer message, to receive interest and other payments with respect thereof, and otherwise to exercise all the rights and powers with respect to such security, notwithstanding any information or notice to