as amended. The Secretary will designate classes of Government obligations acceptable under this part.

(b) Bond. The bond, at a minimum, shall irrevocably authorize the bond official to collect, sell, assign, or transfer such Government obligations and any interest retained therefrom in the event of the obligor's default in performing any of the terms, conditions, or stipulations of such bond. Unless otherwise provided by law, the bond shall authorize the bond official to apply the proceeds from the sale, assignment, or transfer of such Government obligations, in whole or in part, to satisfy any costs incurred by the United States related to the default, and to apply any excess proceeds to satisfy any other claim of the United States against the obligor. The bond shall not include any obligations on custodians which are inconsistent with, or in addition to, the obligations in this part. The bond will provide that the bond official may retain any interest accruing upon any Government obligations, or direct that such interest be retained by the custodian.

(c) Amount of Government obligations. The obligor shall pledge to the bond official Government obligations valued as required by 31 U.S.C. 9303, as amended.

(d) Avoiding frequent substitutions. To avoid the frequent substitution of Government obligations, the bond official may reject Government obligations which mature, or are redeemable, within one year from the date they are pledged to the bond official.

(e) Acceptable Government obligations. Types and valuations of acceptable collateral security are addressed in 31 CFR part 380. For a current list of acceptable classes of securities and instruments described in 31 CFR part 380 and their valuations, see the Bureau of the Public Debt's web site at www.publicdebt.treas.gov.

§ 225.5 Pledge of definitive Government obligations.

(a) Type and assignment. Definitive Government obligations may be in bearer or registered form, and shall be owned by the obligor.

(1) Bearer Government obligations. The obligor shall pledge bearer Government obligations to the bond official with all unmatured interest coupons attached.

(2) Registered Government obligations; assignment. The obligor shall pledge registered Government obligations in the obligor's name to the bond official by assignment in accordance with subpart F of part 306 of this title and other codified procedures for issuers that apply to assignment of the registered Government obligations, except that, when so authorized under such procedures, all assignments shall be made in blank.

(b) Delivery to bond official; receipt. All deliveries of definitive Government obligations from the obligor to the bond official under this part shall be made at the risk and expense of the obligor. Upon receipt of definitive Government obligations, the bond official will issue the obligor a receipt.

(c) Risk of loss; safekeeping. All definitive Government obligations held by