§§ 359.41–359.44

(b) Redemption penalty. Redemption values published in the tables reflect the three-month interest penalty applied to bonds redeemed prior to five years from the date of issue.

§§ 359.41–359.44 [Reserved]

Subpart C—Book-Entry Series I Savings Bonds

§ 359.45 How are book-entry Series I savings bonds purchased and held?

Book-entry bonds must be purchased and held online through your New Treasury Direct account. We provide instructions for opening an account online at http://www.publicdebt.treas.gov.

§ 359.46 What are the denominations and prices of book-entry Series I savings bonds?

Book-entry bonds are issued in a minimum amount of $25, with additional increments of one cent. Book-entry bonds are sold at par value.

§ 359.47 How is payment made for purchases of book-entry Series I savings bonds?

You may only purchase book-entry Series I savings bonds online through your New Treasury Direct account. You may pay for your securities through a debit to your designated account at a United States depository financial institution, or by applying the redemption proceeds of a certificate of indebtedness held in your New Treasury Direct account.

[69 FR 50308, Aug. 16, 2004]

§ 359.48 How are redemption payments made for my redeemed book-entry Series I savings bonds?

We will make payments electronically by direct deposit, using the ACH method, to your designated account at a United States depository financial institution. You may also direct that a payment be used to purchase a certificate of indebtedness to be held in your New Treasury Direct account.

[69 FR 50308, Aug. 16, 2004]

§ 359.49 What is the issue date of a book-entry Series I savings bond?

The issue date of a book-entry Series I savings bond is the first day of the month in which the security posts to the current holdings of the account owner.

[69 FR 50308, Aug. 16, 2004]

§ 359.50 What amount of book-entry Series I savings bonds may I acquire per year?

The principal amount of book-entry Series I savings bonds that you may acquire in any calendar year is provided at §363.52.

[77 FR 213, Jan. 4, 2012]

§§ 359.51–359.52 [Reserved]

§ 359.53 Are taxpayer identification numbers (TINs) required for registration of book-entry Series I savings bonds?

The TIN of each person named in the registration is required to purchase a book-entry bond.

§ 359.54 When is a book-entry Series I savings bond validly issued?

A book-entry bond is validly issued when it is posted to your New Treasury Direct account.

§ 359.55 How are redemption values calculated for book-entry Series I savings bonds?

We base current redemption values (CRV) for book-entry Series I savings bonds on the definitive savings bonds CRV. To calculate the book-entry values, we use the CRV for the $100 denomination Series I savings bonds and calculate a CRV prorated to the book-entry par investment amount for the corresponding issue and redemption dates. Calculated book-entry CRV will be rounded to the nearest one cent. The formula is as follows (Examples of the calculation are given in appendix A to part 359.):

4Example: Calculated value of $25.044 rounds to $25.04; calculated value of $25.045 rounds to $25.05.
§ 359.56 How can I find out what my book-entry Series I savings bonds are worth?

(a) Redemption values. You may access redemption values for your book-entry bonds through your New Treasury Direct account.

(b) Redemption penalty. Redemption values shown in your New Treasury Direct account reflect the three-month interest penalty applied to bonds redeemed prior to five years from the date of issue.

§§ 359.57–359.64 [Reserved]

Subpart D—Miscellaneous Provisions

§ 359.65 [Reserved]

§ 359.66 Is the Education Savings Bonds Program available for Series I savings bonds?

You may be able to exclude from income for Federal income tax purposes all or part of the interest received on the redemption of qualified bonds during the year. To qualify for the program, you or the co-owner (in the case of definitive savings bonds) must have paid qualified higher education expenses during the same year. You also must have satisfied certain other conditions. This exclusion is known as the Education Savings Bonds Program. Information about the program can be found in Internal Revenue Service Publications. (For example, see Publication 17, “Your Federal Income Tax,” Publication 550, “Investment Income and Expenses,” and Publication 970, “Tax Benefits of Higher Education.”)

§ 359.67 Does Public Debt prohibit the issuance of Series I savings bonds in a chain letter scheme?

We do not permit bonds to be issued in a chain letter or pyramid scheme. We authorize an issuing agent to refuse to issue a bond or accept a purchase order if there is reason to believe that a purchase is connected with a chain letter. The agent’s decision is final.

§ 359.68 [Reserved]

§ 359.69 Does Public Debt make any reservations as to issue of Series I savings bonds?

We may reject any application for Series I bonds, in whole or in part. We may refuse to issue, or permit to be issued, any bonds in any case or class of cases, if we deem the action to be in the public interest. Our action in any such respect is final.

§ 359.70 May Public Debt waive any provision in this part?

We may waive or modify any provision of this part in any particular case or class of cases for the convenience of the United States or in order to relieve any person or persons of unnecessary hardship:

(a) If such action would not be inconsistent with law or equity;

(b) If it does not impair any material existing rights; and

(c) If we are satisfied that such action would not subject the United States to any substantial expense or liability.

§ 359.71 What is the role of Federal Reserve Banks and Branches?

(a) Federal Reserve Banks and Branches are fiscal agents of the United States. They are authorized to perform such services as we may request of them, in connection with the issue, servicing and redemption of Series I bonds.

(b) We have currently designated the following Federal Reserve Offices to provide savings bonds services:

<table>
<thead>
<tr>
<th>Servicing site</th>
<th>Reserve district served</th>
<th>Geographic area served</th>
</tr>
</thead>
</table>