DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Parts 351, 353, 359, and 360

United States Savings Bonds, Series EE, HH and I

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: Treasury is discontinuing the over-the-counter sales of definitive (paper) savings bonds. This includes sales through financial institutions and mail-in orders. The elimination of definitive savings bond issuances will reduce program costs, enhance customer service, and minimize environmental impact.

DATES: Effective date: January 1, 2012.


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SUPPLEMENTARY INFORMATION: United States Savings Bonds are non-marketable Treasury securities which have been sold continuously since March 1935. Savings bonds were introduced as a means of encouraging broad public participation in government financing by making Treasury securities available in small denominations specially tailored to the small investor. Savings bonds continue to be an important savings and investment tool for individuals, and Treasury is committed to offering savings bonds to the public as efficiently as possible.

Treasury made savings bonds available in electronic (book-entry) form through the TreasuryDirect® system in 2002, and savings bonds will continue to be available electronically. However, the issuance of paper (definitive) savings bonds will be discontinued as of January 1, 2012. The elimination of definitive savings bond issuances will reduce program costs, enhance customer service, and minimize environmental impact.

Although no new paper savings bonds will be issued after the effective date, this change does not impact the ability to hold or redeem existing paper bonds. Individuals will also be able to obtain paper Series I savings bonds with their tax refunds through Internal Revenue Service Form 8888.

Procedural Requirements

Executive Order 12866. This rule is not a significant regulatory action pursuant to Executive Order 12866.

Administrative Procedure Act (APA). Because this rule relates to United States securities, which are contracts between Treasury and the owner of the security, this rule falls within the contract exception to the APA, 5 U.S.C. 553(a)(2). As a result, the notice, public comment, and delayed effective date provisions of the APA are inapplicable to this rule.

Regulatory Flexibility Act. The provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 et seq., do not apply to this rule because, pursuant to 5 U.S.C. 553(a)(2), it is not required to be issued with notice and opportunity for public comment.

Paperwork Reduction Act (PRA). We ask for no new collections of information in this final rule. Therefore, the Paperwork Reduction Act (44 U.S.C. 3501 et seq.) does not apply.

Congressional Review Act (CRA). This rule is not a major rule pursuant to the CRA, 5 U.S.C. 801 et seq., because it is a minor amendment that is expected to decrease costs for taxpayers; therefore, this rule is not expected to lead to any of the results listed in 5 U.S.C. 804(2). This rule will take effect January 1, 2012, after we submit a copy of it to Congress and the Comptroller General.

List of Subjects

31 CFR Part 351


31 CFR Part 353


31 CFR Part 359


31 CFR Part 360


Accordingly, for the reasons set out in the preamble, 31 CFR Chapter II, Subchapter B, is amended as follows:

PART 351—OFFERING OF UNITED STATES SAVINGS BONDS, SERIES EE

1. The authority citation for part 351 continues to read as follows:


2. Revise § 351.4 to read as follows:

§ 351.4 In what form are Series EE savings bonds issued?


3. Revise § 351.40 to read as follows:

§ 351.40 What were the denominations and prices of definitive Series EE savings bonds?

Prior to January 1, 2012, we issued definitive Series EE savings bonds in denominations of $50, $75, $100, $200, $500, $1000, $5000, and $10,000. The purchase price was one-half the amount of the denomination.

4. Revise § 351.42 to read as follows:

§ 351.42 What is the issue date of a definitive series EE savings bond?

The issue date of a definitive bond is the first day of the month in which an authorized issuing agent received payment of the issue price.

5. Revise the last sentence of § 351.43 to read as follows:

6. Remove and reserve § 351.44 through § 351.45.

7. Revise § 351.46 to read as follows:

§ 351.46 May I purchase definitive Series EE savings bonds over-the-counter?

Effective January 1, 2012, Treasury discontinued the over-the-counter sale of definitive Series EE savings bonds.

8. Remove and reserve § 351.83.

PART 353—REGULATIONS GOVERNING DEFINITIVE UNITED STATES SAVINGS BONDS, SERIES EE AND HH

9. The authority citation for part 353 continues to read as follows:


10. Amend § 353.5 by revising the first sentence of paragraph (a) and the first
§ 353.5 General rules.
   (a) Registration is conclusive of ownership. Definitive savings bonds were issued only in registered form. * * *
   (c) Registration of bonds purchased as gifts. If the bonds were purchased as gifts, awards, prizes, etc., and the taxpayer identifying numbers of the intended owners are not known, the purchaser’s number must be furnished. * * *

§ 353.30 Series EE bonds.
   Definitive Series EE bonds were issued at a discount. * * *

§ 353.45 General.
   (a) Reissue of a bond may be made only under the conditions specified in these regulations, and only at:
      (1) A Federal Reserve Bank or Branch, or
      (2) The Bureau of the Public Debt.
   (b) Reissue will not be made if the request is received less than one full calendar month before the final maturity date of a bond. The request, however, will be effective to establish ownership as though the requested reissue had been made. We reserve the right to reissue savings bonds in book-entry form only.

PART 359—OFFERING OF UNITED STATES SAVINGS BONDS, SERIES I

§ 359.27 What is the issue date of a definitive Series I savings bond?
   The issue date of a definitive bond is the first day of the month in which an authorized issuing agent received payment of the issue price.

§ 359.28 Are Taxpayer Identification Numbers (TINs) required for the registration of definitive series I savings bonds?
   * * * If the bond was purchased as a gift or award and the owner’s TIN is not known, the TIN of the purchaser must be included in the registration of the bond.

§ 359.30 Series EE bonds.

§ 359.34 May I purchase definitive Series I savings bonds over-the-counter?
   Effective January 1, 2012, Treasury discontinued the over-the-counter sale of definitive Series I savings bonds.

PART 360—REGULATIONS GOVERNING DEFINITIVE UNITED STATES SAVINGS BONDS, SERIES I

§ 360.5 General rules.
   (a) Registration is conclusive of ownership. Definitive savings bonds were issued only in registered form. * * *
   (c) Registration of bonds purchased as gifts. If the bonds were purchased as gifts, awards, prizes, etc., and the taxpayer identifying numbers of the intended owners are not known, the purchaser’s number must be furnished. * * *

§ 353.25 What were the denominations and prices of definitive Series I savings bonds?
   Prior to January 1, 2012, definitive Series I savings bonds were issued in denominations of $50, $75, $100, $200, $300, $1,000, $5,000, and $10,000. These definitive bonds were sold at par; that is, the purchase price was the same as the denomination (face value).

§ 353.45 General.
   * * * We reserve the right to reissue savings bonds in book-entry form only.