ury bills under section 3121 of this title and conditions under which the certificates and bills may be redeemed before maturity. Notwithstanding section 3121(a)(5) of this title, the payment date of certificates of indebtedness and Treasury bills may not be more than one year after the date of issue.

(c) Treasury bills issued under this section may not be accepted before maturity to pay principal or interest on obligations of governments of foreign countries that are held by the United States Government.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 939.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3104(a)	31:754(a)(1st, 2d sentences).	Sept. 24, 1917, ch. 56, §5(a)(less form of certificates of indebtedness and Treasury bills, finality), 40 Stat. 290; Apr. 4, 1918, ch. 44, §4, 40 Stat. 504; Mar. 3, 1919, ch. 100, §3, 40 Stat. 1311; restated June 17, 1929, ch. 26, 46 Stat. 19; Feb. 4, 1935, ch. 5, §§2, 3, 49 Stat. 20.
3104(b)	31:754(a)(3d sentence)(less form of certificates of indebtedness and Treasury bills, finality).	
3104(c)	31:754(a)(last sentence).	

In subsection (a), before clause (1), the words ''In addition to the bonds and notes authorized by sections 752, 753, and 757c of this title'' are omitted as unnecessary. The words ''subject to the limitation imposed by section 757b of this title'' are omitted as surplus. The words ''for expenditures authorized by law'' are substituted for ''for the purposes of this Act . . . and to meet public expenditures authorized by law'' for clarity and because they are inclusive. The words ''under section 3111 of this title'' are substituted for ''at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States'' because of the restatement. The words ''at not less than par'' are omitted as superseded by section 3 of the Public Debt Act of 1942 (ch. 205, 56 Stat. 189), restated in section 3121 of the revised title. The text of 31:754(a)(2d sentence) is omitted as superseded by section 3121(a) of the revised title. In clause (1), the words ''and at such rate or rates of interest, payable at such time or times as he may prescribe'' are omitted because they are superseded by section 3121(a), (b)(1), and (c) of the revised title. In clause (2), the words ''on a discount basis and payable at maturity without interest'' are omitted because they are superseded by section 3121(a) of the revised title. The words ''of the Government'' are added for consistency.

In subsection (b), the words ''terms and'' after ''upon such'' are omitted as surplus. The words ''for issuing . . . under section 3121 of this title'' are substituted for ''subject to such terms and conditions'' because of the restatement. The words ''Notwithstanding section 3121(a)(5) of this title'' are substituted for ''shall be payable at such time'' for clarity because the section cited contains the general authority to which subsection (c)(last sentence) of this section is an exception.

In subsection (c), the words ''account of'' are omitted as surplus.

§ 3105. Savings bonds and savings certificates

(a) With the approval of the President, the Secretary of the Treasury may issue savings bonds and savings certificates of the United States Government and may buy, redeem, and make refunds under section 3111 of this title. Proceeds from the bonds and certificates shall be used for expenditures authorized by law. Savings bonds and certificates may be issued on an interest-bearing basis, on a discount basis, or on an interest-bearing and discount basis. Savings bonds shall mature not more than 20 years from the date of issue. Savings certificates shall mature not more than 10 years from the date of issue. The difference between the price paid and the amount received on redeeming a savings bond or certificate is interest under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

(b)(1) The Secretary may—

(A) fix the investment yield for savings bonds; and

(B) change the investment yield on an outstanding savings bond, except that the yield on a bond for the period held may not be decreased below the minimum yield for the period guaranteed on the date of issue.

(2) The Secretary may prescribe regulations providing that—

(A) owners of savings bonds may keep the bonds after maturity or after a period beyond maturity during which the bonds have earned interest and continue to earn interest at rates consistent with paragraph (1) of this subsection; and

(B) savings bonds earning a different rate of interest before the regulations are prescribed shall earn a rate of interest consistent with paragraph (1).

(c) The Secretary may prescribe for savings bonds and savings certificates issued under this section—

(1) the form and amount of an issue and series;

(2) the way in which they will be issued;

(3) the conditions, including restrictions on transfer, to which they will be subject;

(4) conditions governing their redemption;

(5) their sales price and denominations;

(6) a way to evidence payments for or on account of them and to provide for the exchange of savings certificates for savings bonds; and

(7) the maximum amount issued in a year that may be held by one person.

(d) The Secretary may authorize financial institutions to make payments to redeem savings bonds and savings notes. A financial institution may be a paying agent only if the institution—

(1) is incorporated under the laws of the United States, a State, the District of Columbia, or a territory or possession of the United States;

(2) in the usual course of business accepts, subject to withdrawal, money for deposit or the purchase of shares;

(3) is under the supervision of a banking authority of the jurisdiction in which it is incorporated;

(4) has a regular office to do business; and

(5) is qualified under regulations prescribed by the Secretary in carrying out this subsection.

(e)(1) The Secretary may prescribe a way in which a check issued to an individual (except a trust or estate) as a refund for taxes imposed under subtitle A of the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) may become a series E savings bond. However, a check may become a bond only if the claim for a refund is filed by the last day prescribed by law for filing the return (determined without any extensions) for the taxable year for which the refund is made. The Secretary may prescribe the time and way in which the check becomes a bond.

(2) A bond issued under this subsection is deemed to be a series E bond issued under this section, except that the bond shall bear an issue date of the first day of the first month beginning after the close of the taxable year for which the bond is issued. The Secretary also may provide that a bond issued to joint payees may be redeemed by either payee alone.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 940; Pub. L. 97–452, §1(6), (7), Jan. 12, 1983, 96 Stat. 2467, 2468; Pub. L. 99–514, §2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 103–465, title VII, §745(a), Dec. 8, 1994, 108 Stat. 5011.)

HISTORICAL AND REVISION NOTES

1982 ACT

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3105(a)	31:757c(a)(1st sentence), (b)(1)(1st sentence), (d)(1st sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22(a)–(d)(1st sentence); added Feb. 4, 1935, ch. 5, §6, 49 Stat. 21; restated Feb. 19, 1941, ch. 7, §3, 55 Stat. 7; Mar. 26, 1951, ch. 19, §1, 65 Stat. 26; Apr. 20, 1957, Pub. L. 85–17, §1, 71 Stat. 15; Sept. 22, 1959, Pub. L. 86–346, §101(b), 73 Stat. 621; Dec. 1, 1969, Pub. L. 91–130, §§1, 2(b), 83 Stat. 272; Aug. 24, 1970, Pub. L. 91–388, §3, 84 Stat. 830; Mar. 15, 1976, Pub. L. 94–232, §4, 90 Stat. 217; Apr. 2, 1979, Pub. L. 96–5, §4, 93 Stat. 8; Oct. 3, 1980, Pub. L. 96–377, §1, 94 Stat. 1512.
3105(b)(1)	31:757c(b)(1)(2d sentence proviso, last sentence).	
3105(b)(2)	31:757c(b)(3).	
3105(b)(3)	31:757c(b)(2).	
3105(c)	31:757c(a)(last sentence), (b)(1)(2d sentence less proviso, 3d, 4th sentences), (c).	
3105(d)	31:757c(h).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22(h); added Apr. 11, 1943, ch. 52, §3, 57 Stat. 63; restated Apr. 3, 1945, ch. 51, §3, 59 Stat. 47; Oct. 17, 1968, Pub. L. 90–595, §1, 82 Stat. 1155.
3105(e)	31:757c(j).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22(j); added July 1, 1973, Pub. L. 93–53, §3(a), 87 Stat. 135.

In subsection (a), the words ‘‘through the United States Postal Service or otherwise’’ and ‘‘Treasury’’ before ‘‘savings’’ are omitted as surplus. The words ‘‘and may buy, redeem, and make refunds under section 3111 of this title’’ are added because of the restatement. The words ‘‘for expenditures authorized by law’’ are substituted for ‘‘to meet any public expenditures authorized by law, and to retire any outstanding obligations of the United States bearing interest or issued on a discount basis’’ for clarity and because they are inclusive. The word ‘‘combination’’ is omitted as surplus.

In subsection (b)(1), the words ‘‘Except as provided in paragraph (2) of this subsection’’ are added for clarity. The word ‘‘conditions’’ is substituted for ‘‘terms’’ for consistency in the revised title and with other titles of the United States Code. The word ‘‘calendar’’ is omitted as surplus. The words ‘‘(or, beginning on October 1, 1976, if later)’’ are omitted as executed.

In subsection (b)(3), the words ‘‘at their option’’ and ‘‘upon them’’ are omitted as surplus. The last sentence is substituted for 31:757c(b)(2)(B) for clarity.

In subsection (c), before clause (1), the words ‘‘subject to the limitation imposed by section 757b of this title’’ are omitted as surplus. The words ‘‘issued under this section’’ are added for clarity. In clause (3), the words ‘‘terms and’’ are omitted as surplus. The words ‘‘consistent with subsections (b) to (d) of this section’’ are omitted as unnecessary because of the restatement. In clause (4), the words ‘‘before maturity’’ are omitted as surplus. In clause (6), the words ‘‘a way to evidence payments for’’ are substituted for ‘‘issue, or cause to be issued, stamps, or may provide any other means to evidence payments for’’ because they are inclusive. The text of 31:757c(c)(last sentence) is omitted because section 5 of the Public Debt Act of 1942 (ch. 205, 56 Stat. 189), ended the authority of the Postmaster General to issue stamps. In clause (7), the word ‘‘maximum’’ is added for clarity. The words ‘‘at any one time’’ are omitted as surplus.

In subsection (d), before clause (1), the words ‘‘under such regulations as he may prescribe’’, ‘‘or permit’’, and ‘‘commercial banks, trust companies, savings banks, savings and loan associations, building and loan associations (including cooperative banks), credit unions, cash depositories, industrial banks, and similar’’ are omitted as surplus. In clause (1), the words ‘‘Commonwealth of the Philippine Islands’’ in section 22(h) of the Second Liberty Bond Act (ch. 56, 40 Stat. 288) are omitted because of Proclamation No. 2695 (July 24, 1946, 60 Stat. 1352) proclaiming the independence of the Philippines. In clause (3), the words ‘‘department or equivalent’’ are omitted as surplus. In clause (5), the word ‘‘duly’’ is omitted as surplus.

In subsection (e)(1), the words ‘‘by regulations’’ are omitted as unnecessary. The words ‘‘a way’’ are added, and the words ‘‘However, a check may become a bond’’ are substituted for ‘‘This subsection shall apply’’, for clarity.

In subsection (e)(2), the words ‘‘Except as provided in paragraph (2)’’ are omitted as unnecessary. The words ‘‘is deemed to be’’ are substituted for ‘‘shall be treated for all purposes of law as’’ because a legal fiction is intended. The words ‘‘calendar’’ and ‘‘In the case of . . . under this subsection’’ are omitted as surplus.

1983 ACT

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3105(b)(1)	31 App.:757c(b)(1) (2d sentence).	Sept. 3, 1982, Pub. L. 97–248, §289(a)(1)(A), (B), (D), 96 Stat. 571.
3105(b)(2)	31 App.:757c(b)(3)	
3105(b)(3)	31 App.:757c(b)(2).	
3105(c)	31 App.:757c(b)(1) (3d sentence).	Sept. 3, 1982, Pub. L. 97–248, §289(a)(1)(C), 96 Stat. 571.

In subsection (b)(1), before clause (A), the words ‘‘and except as provided in paragraph (2) of this subsection’’ are added for clarity. In clause (B), the word ‘‘change‘‘ is substituted for ‘‘provide for increases and decreases in’’ to eliminate unnecessary words. The word ‘‘investment’’ is omitted the 2d time it appears as surplus.

AMENDMENTS

1994—Subsec. (b). Pub. L. 103–465 amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows:

‘‘(b)(1) With the approval of the President and except as provided in paragraph (2) of this subsection, the Secretary may—

‘‘(A) fix the investment yield for savings bonds; and

‘‘(B) change the investment yield on an outstanding savings bond, except that the yield on a bond for the period held may not be decreased below the minimum yield for the period guaranteed on the date of issue.

‘‘(2) The investment yield on a series E savings bond shall be at least 4 percent a year compounded semiannually beginning on the first day of the month beginning after the date of issue of the bond and ending on the last day of the month before the date of redemption.

''(3) With the approval of the President, the Secretary may prescribe regulations providing that—

''(A) owners of series E and H savings bonds may keep the bonds after maturity or after a period beyond maturity during which the bonds have earned interest and continue to earn interest at rates consistent with paragraph (1) of this subsection; and

''(B) series E and H savings bonds earning a different rate of interest before the regulations are prescribed shall earn a rate of interest consistent with paragraph (1).''

1986—Subsecs. (a), (e)(1). Pub. L. 99–514 substituted ''Internal Revenue Code of 1986'' for ''Internal Revenue Code of 1954''.

1983—Subsec. (b). Pub. L. 97–452, §1(6), added par. (1) and redesignated former par. (1) as (2), in par. (2) as so redesignated, struck out provision that except as provided in former par. (2), the interest rate on, and the issue price of, savings bonds and savings certificates and the conditions under which they might be redeemed might not yield more than 5.5 percent a year compounded semiannually, struck out former par. (2) which provided that the Secretary with the President's approval might fix the yield on savings bonds at any percent per year compounded semiannually, but that total increases in a six-month period might not exceed one percent a year compounded semiannually, redesignated provisions of par. (3) as subpars. (A) and (B), and, in subpar. (B), as so redesignated, substituted provisions that series E and H savings bonds earning a different rate of interest before the regulations are prescribed shall earn a rate of interest consistent with par. (1) for provision that series E and H savings bonds earning a higher rate of interest before the regulations were prescribed would continue to earn a higher rate of interest consistent with par. (1).

Subsec. (c)(5). Pub. L. 97–452, §1(7), struck out ''(expressed in terms of the maturity value)'' after ''denominations''.

EFFECTIVE DATE OF 1994 AMENDMENT

Pub. L. 103–465, title VII, §745(b), Dec. 8, 1994, 108 Stat. 5011, provided that: ''The amendment made by this section [amending this section] shall apply to bonds issued after October 31, 1994.''

EX. ORD. NO. 11981. INTERAGENCY COMMITTEE FOR THE PURCHASE OF UNITED STATES BONDS

Ex. Ord. No. 11981, Mar. 29, 1977, 42 F.R. 17095, provided:

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. (a) There is hereby established the Interagency Committee for the Purchase of United States Savings Bonds (hereinafter referred to as the Committee). The Committee shall consist of a Chairman, who is to be appointed by the President for a term of two years, and the heads of Federal agencies. Each member of the Committee is responsible for the success of the Payroll Savings Program in his agency.

(b) Members of the Committee may designate an alternate, who shall serve as a member of the Committee whenever the regular member is unable to attend any meeting of the Committee. The alternate member may be authorized to act for the regular member in all appropriate matters relating to the Committee. In the case of an executive or military department, a Deputy Secretary or an Under Secretary may be designated as an alternate member. In the case of any other Federal agency, the alternate member shall be designated from among the officials thereof of appropriate rank.

(c) The Chairman will designate the Federal Payroll Savings Officer of the Savings Bonds Division, Department of the Treasury, to act as his liaison officer with members of the Committee.

SEC. 2. The Committee shall perform the following functions and duties:

(a) Formulating and presenting to the Federal agencies a plan of organization and sales promotion whereby the Payroll Savings Plan and Military Bond Allotment Plan, hereinafter referred to as the Plans, will be made available to all uniformed and civilian personnel of the government for the purchase of Savings Bonds, and whereby all such personnel will be urged to participate.

(b) Assisting the Federal agencies in installing the Plans and in solving any special problems that may develop in connection therewith.

(c) Acting as a clearinghouse for Federal agencies in compiling and disseminating such statistics and information with respect to the implementation and sales promotion of the Plans as may be appropriate.

(d) Recommending to the Federal agencies any methods for improvements in the program adopted pursuant to the Plans.

(e) The Committee will meet, and will be available to meet with the President, at least once each calendar year and at such other times as may be necessary to carry out its responsibilities.

SEC. 3. Each Federal agency shall institute and put into operation, as soon as practicable, a plan of organization and sales promotion recommended by the Committee, with such modifications as particular circumstances may render advisable.

SEC. 4. As used in this Order, the term ''Federal agencies'' means departments, agencies, and establishments of the Executive branch of the Government.

SEC. 5. This Order supersedes Executive Order No. 11532 of June 2, 1970.

JIMMY CARTER.

TRANSITIONAL RULE

Pub. L. 97–248, title II, §289(b), Sept. 3, 1982, 96 Stat. 57, provided that for a savings bond issued before the 30th day after Sept. 3, 1982, for purposes of sections 757c and 757c–2 of former Title 31, the minimum yield for the period held is the scheduled investment yield for the period in effect on the 30th day.

§ 3106. Retirement and savings bonds

(a) With the approval of the President, the Secretary of the Treasury may issue retirement and savings bonds of the United States Government and may buy, redeem, and make refunds under section 3111 of this title. The proceeds from the bonds shall be used for expenditures authorized by law. Retirement and savings bonds may be issued only on a discount basis. The maturity period of the bonds shall be at least 10 years from the date of issue but not more than 30 years from the date of issue. The difference between the price paid and the amount received on redeeming a bond is interest under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

(b) With the approval of the President, the Secretary may allow owners of retirement and savings bonds to keep the bonds after maturity and continue to earn interest on them at rates that are consistent with the rate of investment yield provided by retirement and savings bonds.

(c) Section 3105(c)(1)–(5) of this title applies to this section. Sections 3105(c)(6) and (d) and 3126 of this title apply to this section to the extent consistent with this section. The Secretary may prescribe the maximum amount of retirement and savings bonds issued under this section in a year that may be held by one person. However, the maximum amount shall be at least $3,000.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 941; Pub. L. 97–452, §1(8), Jan. 12, 1983, 96 Stat. 2468; Pub. L. 99–514, §2, Oct. 22, 1986, 100 Stat. 2095.)