

**§ 321.13****§ 321.13 Cancellation of redeemed securities.**

A paying agent shall cancel each redeemed security by imprinting the word “PAID” on its face and entering the amount and date of the actual payment and the agent’s name, location, and four-digit code number assigned by a TRS Site or nine-digit ABA code number. The recordation of this data shall constitute a certification by the agent that the security was redeemed in accordance with the provisions of this part, that the presenter’s identity and entitlement to request payment were duly established, and that the proceeds were paid to the presenter or remitted to a TRS Site in payment for Series HH savings bonds.

[77 FR 16166, Mar. 20, 2012]

**§ 321.14 Transmittal to and settlement with a Federal Reserve Processing Site.**

Except for eligible securities redeemed on exchange pursuant to § 321.8, a paying agent shall transmit for payment all redeemed securities to a Federal Reserve Processing Site in accordance with the Federal Reserve Operating Circular.

[77 FR 16167, Mar. 20, 2012]

**Subpart E—Losses Resulting From Erroneous Payments****§ 321.15 Liability for losses.**

Under the governing statute, as amended (31 U.S.C. 3126(a)), an agent cannot be relieved of liability for a loss resulting from an erroneous payment unless the Secretary of the Treasury can make a determination that the loss resulted from no fault or negligence on the agent’s part.

**§ 321.16 Report of erroneous payment.**

If an agent discovers an erroneous payment of securities, it should immediately advise the Bureau of the Fiscal Service, Parkersburg, WV, as further described in the instructions and guidance issued pursuant to § 321.27.

[77 FR 16167, Mar. 20, 2012]

**§ 321.17 Investigation of potential loss.**

(a) *Notice to an agent.* When it determines that a loss has occurred, because of the erroneous payment of securities, the Bureau of the Fiscal Service will notify the agent in writing and identify the securities.

(b) *Investigative procedure.* The Bureau of the Fiscal Service may request the United States Secret Service to investigate potential losses. Upon request, the agent shall make available to the Bureau of the Fiscal Service, or its investigative agent, all records and information pertaining to the transaction in question, including the disposition of the redemption proceeds. If the proceeds were deposited in an account maintained by the agent, the information made available shall include the ultimate disposition of the redemption proceeds from the account.

**§ 321.18 Determination of loss.**

Upon completion of the investigation, and after consideration of the results, the Bureau of the Fiscal Service shall advise the agent through which the payment occurred:

(a) That no final loss to the United States has occurred, and, accordingly, that the agent is relieved from liability for the payment, or that no claim for reimbursement shall be made unless and until a loss has been sustained; or

(b) That while a final loss to the United States has occurred, the agent is not required to make reimbursement therefor, as the Secretary of the Treasury, or his designee, has determined that such loss resulted from no fault or negligence on the part of such agent; or

(c) That a final loss to the United States has occurred, and that, the Secretary of the Treasury, or his designee, has been unable to make an affirmative finding that such loss resulted from no fault or negligence on the part of such agent, reimbursement must be made promptly, except where credit for the payment had not previously been extended.

**§ 321.19 Certification of signatures.**

The regulations in this subpart shall, to the extent appropriate, apply to losses resulting from payments made