§§ 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 May Public Debt issue Series I savings bonds only in book-entry form?

We reserve the right to issue bonds only in book-entry form.

§ 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:

Servicing site	Reserve district served	Geographic area served
Federal Reserve Bank, Buffalo Branch, 160 Delaware Avenue, Buffalo, NY 14202.	New York, Boston	Connecticut, Maine, Massachusetts, New Hampshire, New Jersey (Northern half), New York, Rhode Island, Vermont, Puerto Rico, Virgin Islands.
Federal Reserve Bank, Pittsburgh Branch, 717 Grant Street, Pittsburgh, PA 15219.	Cleveland, Philadelphia	Delaware, Kentucky (eastern half), New Jersey, (southern half), Ohio, Pennsylvania, West Virginia (northern panhandle).
Federal Reserve Bank of Richmond, 701 East Byrd Street, Richmond, VA 23219.	Richmond, Atlanta	Alabama, District of Columbia, Florida, Georgia, Louisiana (southern half), Maryland, Mississippi (southern half), North Carolina, South Carolina, Tennessee (eastern half), Virginia, West Virginia (except northern panhandle).

Servicing site	Reserve district served	Geographic area served
Federal Reserve Bank of Minneapolis, 90 Hennepin Avenue, Minneapolis, MN 55401.	Minneapolis, Chicago	Illinois (northern half), Indiana (northern half), Iowa, Michigan, Minnesota, Montana, North Dakota, South Dakota, Wisconsin.
Federal Reserve Bank of Kansas City, 925 Grand Boulevard, Kansas City, MO 64106.	Dallas, San Francisco, Kansas City, St. Louis.	Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois (southern half), Indiana (southern half), Kansas, Kentucky (western half), Louisiana (northern half), Mississippi (northern half), Missouri, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, Tennessee (western half), Texas, Utah, Washington, Wyoming, Guam.

§ 359.72 May the United States supplement or amend the offering of Series I savings bonds?

We may supplement or amend the terms of this offering of Series I bonds at any time.

APPENDIX A TO PART 359—REDEMPTION VALUE CALCULATIONS

1. What are some general tax considerations?

Interest on savings bonds is subject to taxes imposed under the Internal Revenue Code of 1986, as amended. The bonds are exempt from taxation by any State or political subdivision of a State, except for estate or inheritance taxes. (*See* 31 U.S.C. 3124.)

2. What is an example of a book-entry Series I savings bonds redemption value calculation?

Assume a New Treasury Direct par investment amount in a book-entry Series I savings bonds of $34.59, with an issue date of May, 2001, and a redemption date of December, 2001. The published CRV for a definitive $100 Series I savings bonds issued May, 2001 and redeemed December, 2001 = $101.96.

Calculation:

[(Book-entry par investment) ÷ (100)] × CRV value for $100 bond

$[(34.59 \div 100)] \times 101.96$

$[0.3459] \times 101.96$

35.267964

= $35.27

APPENDIX B TO PART 359—COMPOSITE SEMIANNUAL RATE PERIOD TABLE

1. What months make up the composite semiannual rate period?

You may use the following table to find when a bond's semiannual rate period begins and when we'll announce the rate that applies during each period.

If your Bond has an issue date of—	Then its semiannual rate period begins—	We announce the rate that applies during a rate period in—
January	January 1	November 1 (of the previous year).
	July 1	May 1.
February	February 1	November 1 (of the previous year).
	August 1	May 1.
March	March 1	November 1 (of the previous year).
	September 1	May 1.
April	April 1	November 1 (of the previous year).
	October 1	May 1.
May	May 1	May 1.
	November 1	November 1.
June	June 1	May 1.
	December 1	November 1.
July	July 1	May 1.
	January 1	November 1 (of the previous year).
August	August 1	May 1.
	February 1	November 1 (of the previous year).
September	September 1	May 1
	March 1	November 1 (of the previous year).
October	October 1	May 1.
	April 1	November 1 (of the previous year).
November	November 1	November 1.
	May 1	May 1.
December	December 1	November 1.
	June 1	May 1.