

**PART 342—OFFERING OF UNITED STATES SAVINGS NOTES**

- Sec.
- 342.0 Offering of notes.
- 342.1 Definition of words and terms used in this part.
- 342.2 Description of notes.
- 342.3 Extended terms and yields for outstanding notes.
- 342.4 Purchase—registration.
- 342.5 Limitations.
- 342.6 Taxation.
- 342.7 Payment or redemption.
- 342.8 Governing regulations.
- 342.9 Fiscal agents.
- 342.10 Reservations.

AUTHORITY: 31 U.S.C. 3103, 5 U.S.C. 301.

SOURCE: 57 FR 14282, Apr. 17, 1992, unless otherwise noted.

**§ 342.0 Offering of notes.**

The Secretary of the Treasury offered for sale to the people of the United States, United States Savings Notes (also known as "Freedom Shares", and generally referred to herein as "savings notes" or "notes"). The notes could be purchased only in combination with Series E savings bonds of the same or greater denomination. This offering was effective from May 1, 1967 until the close of business October 31, 1970 when the sale of savings notes was terminated by the Secretary of the Treasury.

**§ 342.1 Definition of words and terms used in this part.**

(a) *Payroll savings plan* refers to a voluntary program maintained by an employer whereby its participating officers and employees authorize regular withholdings from their salaries or wages for the purchase of savings bonds.

(b) *Quarter* refers to a 3-month period of a year, as follows: January-February-March, April-May-June, July-August-September, or October-November-December.

**§ 342.2 Description of notes.**

(a) *General.* Savings notes were issued only in registered form and are non-transferable.

(b) *Term.* A savings note was dated as of the first day of the month in which payment of the purchase price was received by an issuing agent. A note had

an original maturity period of 4 years and 6 months and has been granted two 10-year extensions of maturity and an additional extension of 5 years and 6 months with interest; it will reach final maturity 30 years from its issue date. A note cannot be called by the Secretary of the Treasury prior to maturity and was not redeemable during the first year from issue date. Thereafter, a note may be redeemed at the option and request of the owner.

(c) *Denominations and purchase prices.* Savings notes were issued on a discount basis. The denominations and purchase prices were as follows:

Denomination	Purchase price
\$25 .....	\$20.25
50 .....	40.50
75 .....	60.75
100 .....	81.00

Interest is paid as a part of the redemption value. A note increased in value one year after issue date and increases at the beginning of each half-year period thereafter until final maturity, at which time interest ceases to accrue. Interest on a note which is redeemed before maturity ceases to accrue at the end of the interest period next preceding the redemption date, except that if the note is redeemed on a date on which the redemption value increases, interest ceases to accrue on that date.

(d) *Inscription and issue.* At the time of issue, the authorized issuing agent:

(1) Inscribed on the face of each note the name and address of the owner and the name of the beneficiary, if any, or the names of the coowner;

(2) Entered the issue date in the right-hand portion of the note in the space provided for that purpose; and

(3) Imprinted thereunder, by use of the agent's validation indicia for the issue of Series E savings bonds, the date the note was actually inscribed. A note is valid only if an authorized issuing agent received payment therefor and duly inscribed, dated, imprinted validation indicia on the note and delivered it.