

Specialist, at (202) 874-6705; Cynthia L. Johnson, Director, Cash Management Policy and Planning Division, at (202) 874-6590; or Marc Seldin, Senior Attorney, at (202) 874-6680. A copy of this final rule is available on FMS' web site at the following address: [www.fms.treas.gov/regs.html](http://www.fms.treas.gov/regs.html).

**SUPPLEMENTARY INFORMATION:**

**Background**

Depositories accepting deposits of public money and providing other financial agency services to the United States (depositories) are required to pledge adequate acceptable securities as collateral, as directed by the Secretary of the Treasury (Secretary). The Secretary previously promulgated regulations, codified at 31 CFR part 202, setting forth general requirements for designating depositories and the pledging of collateral.

While FMS continues to be responsible for all other operational and regulatory oversight of programs under 31 CFR part 202, responsibility for determining the acceptability and valuation of collateral pledged for programs under this regulation was recently transferred from FMS to BPD, another bureau within the Fiscal Service of the Department of the Treasury (Treasury). BPD has promulgated a regulation, codified at 31 CFR part 380 and published elsewhere in this issue of the **Federal Register**, governing such collateral acceptability and valuation. The current rule provides that types and valuation of acceptable collateral securities will be specified in Treasury procedural instructions. The revised rule results in no effective change. Current references to collateral acceptability and valuation are removed and replaced with references to BPD's collateral acceptability and valuation rule, which similarly provides that types and valuations of acceptable collateral securities will be specified in Treasury procedural instructions. Treasury procedural instructions issued under the current rule and the revised rule are presently identical. This rule also revises the heading of this part for clarity and the format of the authority citation for this part for consistency.

**Regulatory Analyses**

It has been determined that this regulation is not a significant regulatory action as defined in Executive Order 12866. Therefore, a Regulatory Assessment is not required.

Executive Order 12866 and the President's memorandum of June 1, 1998 require each agency to write all rules in plain language.

We invite your comments on the clarity of this rule. Please send any comments to the Department of the Treasury, Financial Management Service, Cash Management Policy and Planning Division, 401 14th Street, SW, Washington, DC 20227.

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act do not apply.

Because this regulation merely affects internal agency organization and does not substantively change the current rule, no notice of proposed rulemaking is required by 5 U.S.C. 553.

**List of Subjects in 31 CFR Part 202**

Banks, Banking.

For the reasons set out in the preamble, 31 CFR part 202 is amended as follows:

1. Amend the heading of part 202 to read as follows:

**PART 202—DEPOSITARIES AND FINANCIAL AGENTS OF THE FEDERAL GOVERNMENT**

2. Revise the authority citation for part 202 to read as follows:

**Authority:** 12 U.S.C. 90, 265-266, 391, 1452(d), 1464(k), 1789a, 2013, 2122 and 3101-3102; 31 U.S.C. 3303 and 3336.

3. Amend § 202.6 to revise paragraph (b) to read as follows:

**§ 202.6 Collateral security.**

\* \* \* \* \*

(b) *Acceptable security.* Types and valuations of acceptable collateral security are addressed in 31 CFR part 380. For a current list of acceptable classes of securities and instruments described in 31 CFR part 380 and their valuations, see the Bureau of the Public Debt's web site at [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov).

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Dated: September 1, 2000.

**Richard L. Gregg,**

*Commissioner.*

[FR Doc. 00-23088 Filed 9-12-00; 8:45 am]

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**DEPARTMENT OF THE TREASURY**

**Fiscal Service**

**31 CFR Part 203**

**RIN-1510-AA76**

**Payment of Federal Taxes and the Treasury Tax and Loan Program**

**AGENCY:** Financial Management Service, Fiscal Service, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Financial Management Service (FMS) is issuing this final rule which governs the processing of Federal tax payments by financial institutions and the Federal Reserve Banks using electronic payment or paper methods; the designation of Treasury Tax and Loan (TT&L) depositories; and the operation of the investment program of the Department of the Treasury (Treasury). This revision removes current references to the acceptability and valuation of collateral pledged to secure deposits of tax payments through the Treasury Investment Program, and replaces them with references to the new rule published by Treasury's Bureau of the Public Debt (BPD), codified at 31 CFR part 380, governing collateral acceptability and valuation. The revision is necessary because the responsibility for determining the acceptability and valuation of collateral was recently transferred from FMS to BPD.

**EFFECTIVE DATE:** October 13, 2000.

**FOR FURTHER INFORMATION CONTACT:**

Mary Bailey, Financial Program Specialist, at (202) 874-6749; Walt Henderson, Senior Financial Program Specialist, at (202) 874-6705; Cynthia L. Johnson, Director, Cash Management Policy and Planning Division, at (202) 874-6590; or Marc Seldin, Senior Attorney, at (202) 874-6680. A copy of this final rule is available on FMS' web site at the following address: [www.fms.treas.gov/regs.html](http://www.fms.treas.gov/regs.html).

**SUPPLEMENTARY INFORMATION:**

**Background**

The TT&L program encompasses two separate components—a depository component through which the Treasury collects Federal tax deposits and payments from business taxpayers for employee withholding and other types of taxes, and an investment component through which the Treasury invests short-term operating balances not needed for immediate cash outlays. More than 1,500 of the TT&L depositories borrow excess short-term Treasury operating funds by participating in the investment component of the TT&L program. Through agreements, participating depositories borrow Treasury funds in the form of a note secured with collateral pledged to the Treasury and pay interest to the Treasury on these balances. The Secretary of the Treasury (Secretary) previously promulgated regulations, codified at 31 CFR part 203, governing the TT&L program and the pledging of such collateral.

While FMS continues to be responsible for any other operational and regulatory oversight of programs under 31 CFR part 203, responsibility for determining the acceptability and valuation of collateral pledged for programs under this regulation was recently transferred from FMS to BPD, another bureau within the Fiscal Service of the Department of the Treasury (Treasury). BPD has promulgated a regulation, codified at 31 CFR part 380 and published elsewhere in this issue of the **Federal Register**, governing such collateral acceptability and valuation. The current rule provides that (1) unless otherwise specified by the Secretary, collateral security pledged under § 203.24 may be transferable securities, owned by the depository free and clear of all liens, charges, or claims, of any of the classes listed in procedural instructions; and (2) collateral valuations will be assigned by the Federal Reserve Bank of the District. The revised rule results in no substantive change. The revised rule states that acceptable types and valuations of collateral are addressed in 31 CFR part 380. Pursuant to § 380.3, BPD has specified that the above provisions of the current rule continue.

#### Regulatory Analyses

It has been determined that this regulation is not a significant regulatory action as defined in Executive Order 12866. Therefore, a Regulatory Assessment is not required.

Executive Order 12866 and the President's memorandum of June 1, 1998 require each agency to write all rules in plain language. We invite your comments on the clarity of this rule. Please send any comments to the Department of the Treasury, Financial Management Service, Cash Management Policy and Planning Division, 401 14th Street, SW, Washington, DC 20227.

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act do not apply.

Because this regulation merely affects internal agency organization and does not substantively change the current rule, no notice of proposed rulemaking is required by 5 USC 553.

#### List of Subjects in 31 CFR Part 203

Banks, Banking.

For the reasons set out in the preamble, 31 CFR part 203 is amended as follows:

### PART 203—PAYMENT OF FEDERAL TAXES AND THE TREASURY TAX AND LOAN PROGRAM

1. The authority citation for part 203 continues to read as follows:

**Authority:** 12 U.S.C. 90, 265–266, 332, 391, 1452(d), 1464(k), 1767, 1789a, 2013, 2122 and 3102; 26 U.S.C. 6302; 31 U.S.C. 321, 323 and 3301–3304

2. Amend § 203.24 to revise paragraph (d) to read as follows:

#### § 203.24 Collateral security requirements.

\* \* \* \* \*

(d) *Acceptable securities.* Types and valuations of acceptable collateral security are addressed in 31 CFR part 380. For a current list of acceptable classes of securities and instruments described in 31 CFR part 380 and their valuations, see the Bureau of the Public Debt's web site at [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov).

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Dated: September 1, 2000.

**Richard L. Gregg,**

*Commissioner.*

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### DEPARTMENT OF THE TREASURY

#### Fiscal Service

#### 31 CFR Part 225

**RIN–1510–AA77**

#### Acceptance of Bonds Secured by Government Obligations in Lieu of Bonds With Sureties

**AGENCY:** Financial Management Service, Fiscal Service, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Financial Management Service (FMS) is issuing this final rule which governs the acceptance of bonds secured by Government obligations in lieu of bonds with sureties. This revision adds references to the new rule of the Bureau of the Public Debt (BPD), codified at 31 CFR part 380, governing collateral acceptability and valuation. The revision is necessary because the responsibility for determining the acceptability and valuation of collateral was recently transferred from FMS to BPD.

**EFFECTIVE DATE:** October 13, 2000.

#### FOR FURTHER INFORMATION CONTACT:

Mary Bailey, Financial Program Specialist, at (202) 874–6749; Walt Henderson, Senior Financial Program Specialist, at (202) 874–6705; Cynthia L. Johnson, Director, Cash Management

Policy and Planning Division, at (202) 874–6590; or Marc Seldin, Senior Attorney, at (202) 874–6680. A copy of this final rule is available on FMS' web site at the following address: [www.fms.treas.gov/regs.html](http://www.fms.treas.gov/regs.html).

#### SUPPLEMENTARY INFORMATION:

#### Background

Persons required by Federal law to give an agency a surety bond instead may provide a bond secured by Government obligations. To assist agencies in reviewing and accepting such bonds, the Secretary of the Treasury promulgated regulations codified at 31 CFR part 225, which set forth requirements applicable to bonds secured by Government obligations in lieu of bonds with sureties. While the FMS continues to be responsible for all other operational and regulatory oversight of programs under 31 CFR part 225, responsibility for determining the acceptability and valuation of collateral pledged under this regulation was recently transferred from FMS to BPD, another bureau within the Fiscal Service of the Department of the Treasury (Treasury). BPD has promulgated a regulation, codified at 31 CFR part 380 and published elsewhere in this issue of the **Federal Register**, governing such collateral acceptability and valuation. The current rule reserves paragraph (e) within section 225.3. The revised rule inserts in this section appropriate references to the new BPD regulation. The revised rule results in no substantive change. Acceptable types of collateral security and their valuation under this revision are the same as exist currently. This rule also revises, for purposes of consistency, the format of the authority citation for this part.

#### Regulatory Analyses

It has been determined that this regulation is not a significant regulatory action as defined in Executive Order 12866. Therefore, a Regulatory Assessment is not required.

Executive Order 12866 and the President's memorandum of June 1, 1998 require each agency to write all rules in plain language. We invite your comments on the clarity of this rule. Please send any comments to the Department of the Treasury, Financial Management Service, Cash Management Policy and Planning Division, 401 14th Street, SW, Washington, DC 20227.

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act do not apply.

Because this regulation merely affects internal agency organization and does not substantively change the current