

§ 363.137

§ 363.137 What do I need to know about the registration of a certificate of indebtedness?

A certificate of indebtedness is automatically registered in the single ownership form of registration in the TreasuryDirect® account owner's name.

§ 363.138 How do I purchase a certificate of indebtedness?

You may purchase your certificate of indebtedness through one or more of the following four methods:

(a) payroll deduction, in which your employer sends funds through the ACH method to your TreasuryDirect® account;

(b) deposit by your financial institution, in which your financial institution sends funds by the ACH method to your TreasuryDirect account on a recurring or one-time basis;

(c) through the Buy Direct® function of your TreasuryDirect account, in which you direct us to debit funds from your account at a financial institution to purchase a certificate of indebtedness. This method is limited to an amount no greater than \$1000 per transaction. When you use the Buy Direct function to debit funds to purchase all or a portion of a certificate of indebtedness, you will not be permitted to schedule a redemption for cash from your certificate of indebtedness within five business days after the date of the debit entry; or

(d) by using the proceeds from the redemption or interest payment of a security to purchase a certificate of indebtedness.

[69 FR 50309, Aug. 16, 2004, as amended at 70 FR 57444, Sept. 30, 2005]

§ 363.139 Is Treasury liable for the purchase of a certificate of indebtedness that is made in error?

We are not liable for any deposits of funds for the purchase of a certificate of indebtedness that are made in error by your financial institution or employer.

§ 363.140 When is a certificate of indebtedness issued?

A certificate of indebtedness is issued the business day after the purchase transaction is made.

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§ 363.141 How do I purchase a security using the redemption proceeds of my certificate of indebtedness?

You may purchase an eligible security by redeeming all or a portion of your certificate of indebtedness and applying the proceeds toward the purchase of another eligible security. To do this, your certificate of indebtedness must be of sufficient value to cover the cost of the security. If you are paying for a security using the redemption proceeds of a certificate of indebtedness, you must pay the full amount of the purchase price of the security using the redemption proceeds.

§ 363.142 Can I redeem my certificate of indebtedness for cash?

You can redeem part or all of the value of your certificate of indebtedness at any time, with one exception: if you purchased all or a portion of your certificate of indebtedness through a debit using the ACH method, you may not schedule a redemption from your certificate of indebtedness within five business days after the date of the debit entry.

[70 FR 57444, Sept. 30, 2005]

§ 363.143 What happens if an ACH payment used to purchase a certificate of indebtedness is later reversed?

If an ACH payment used to purchase a certificate of indebtedness is later reversed, we reserve the right to reverse the purchase of the certificate of indebtedness. If the ACH reversal occurs after the certificate of indebtedness has been redeemed, we reserve the right to reverse previously processed security transactions, including securities that were purchased as gifts and securities that have been transferred or delivered from your account to the account of another TreasuryDirect® account owner.

§ 363.144 May I delete a pending transaction involving a certificate of indebtedness?

(a) You may delete a pending purchase of a certificate of indebtedness initiated from your TreasuryDirect® account.

(b) You may delete a pending purchase of a security using a certificate of indebtedness as payment.

(c) You may not delete a pending redemption of all or part of the value of a certificate of indebtedness.

§ 363.145 May I transfer or deliver my certificate of indebtedness?

A certificate of indebtedness is non-transferable. You may not deliver a certificate of indebtedness to another TreasuryDirect® account as a gift.

§ 363.146 May a certificate of indebtedness be pledged or used as collateral?

A certificate of indebtedness may not be pledged or used as collateral for the performance of an obligation.

[69 FR 50309, Aug. 16, 2004. Redesignated at 70 FR 57437, Sept. 30, 2005]

§§ 363.147–363.152 [Reserved]

Subpart E—Conversion of a Definitive Savings Bond

SOURCE: 70 FR 14943, Mar. 23, 2005, unless otherwise noted.

§ 363.160 What subparts govern the conversion of definitive savings bonds?

(a) This subpart governs:

(1) The process of converting definitive savings bonds of all eligible series and types of registration to book-entry bonds in TreasuryDirect®;

(2) Converted savings bonds of all series registered in the coowner form of registration, unless the non-converting coowner consents to a change in the registration of the bonds after conversion;

(3) Converted savings bonds of Series E registered in the owner with beneficiary form of registration, unless the beneficiary consents to a change in the registration of the bonds after conversion; and

(4) Converted savings bonds of all series that are held as gift bonds by the person who converted the bonds.

(b) Subpart C governs:

(1) Converted savings bonds of any series registered in the single owner form of registration;

(2) Converted Series EE and Series I savings bonds registered in the owner with beneficiary form of registration;

(3) Converted Series E savings bonds registered in the owner with beneficiary form of registration, where the beneficiary has consented to a change in the registration of the bonds after conversion; and

(4) Converted savings bonds of all series registered in the coowner form of registration, where the non-converting coowner has consented to a change in the registration of the bonds after conversion.

[70 FR 14943, Mar. 23, 2005, as amended at 70 FR 57347, Sept. 30, 2005]

§ 363.161 What definitive savings bonds are eligible to be converted to book-entry bonds?

Series E, Series EE, and Series I savings bonds issued in denominations of \$25 or greater, in single owner, coowner, or owner with beneficiary forms of registration, are eligible for conversion to book-entry bonds in TreasuryDirect®.

§ 363.162 Who may convert a definitive savings bond?

The owner of a TreasuryDirect® primary account may convert a definitive savings bond.

(a) *Bond that is registered to the account owner.* The owner of a definitive savings bond registered in the single owner form of registration, either coowner of a bond registered in the coowner form of registration, and the owner of a bond registered in the owner with beneficiary form of registration of all eligible series, may convert that definitive bond to a book-entry bond to be held in his or her TreasuryDirect account.

(b) *Bond that is registered to someone other than the account owner.* We will convert an eligible definitive savings bond submitted by someone other than the registered owner of the savings bond. See the special rules in section 363.166.

§ 363.163 How do I convert an eligible definitive savings bond?

We will provide online instructions for converting your definitive savings bond. You must surrender to us the definitive bond to be converted at the time of conversion.