

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4232]  
May 20, 1955]

**GENERAL REGULATIONS GOVERNING UNITED STATES SECURITIES**

**Treasury Department Circular No. 300, Revised**

*To All Banking Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

Enclosed is a copy of Treasury Department Circular No. 300, Revised effective April 30, 1955. The circular, which contains the Treasury's general regulations governing United States securities, consolidates the material contained in, and supersedes, Treasury Circular No. 300, dated July 31, 1923, as amended and supplemented, and Treasury Circular No. 666, dated July 21, 1941; the former contained regulations governing United States bonds and notes, and transactions with the Treasury Department in those securities, the latter circular contained regulations on the payment or redemption of transferable securities of the United States. The regulations in the new circular have been extensively revised, and their application has been extended to nontransferable securities other than Savings bonds, to the extent provided in the offering circulars or special regulations governing them. Parts of the revised regulations have also been made specifically applicable to Treasury Savings Notes, Treasury Bonds of Investment Series B-1975-80, and of Investment Series A-1965.

Following is a description of some of the more substantive changes effected by the revised general regulations:

1. Registration in the names of two or more persons should now expressly provide for the right of survivorship or expressly preclude it. Registration in the form "A or B" is not provided for because courts of various states have differed as to whether such registration of Treasury bonds establishes survivorship in the bonds. Sec. 306.11(1)

2. Registration of bonds in the name of a minor as owner or coowner is generally not authorized; bonds purchased for a minor not under legal guardianship must be registered in the name of a natural guardian who will be considered a fiduciary for this purpose. Sec. 306.11(2)

3. A previous ambiguity has been resolved by defining when a security payable in effect to bearer, by assignment or otherwise, shall be considered past due (when such a past due security is surrendered for redemption, satisfactory proof of ownership may be required); certificates of ownership will not now be necessary before face maturity date. Sec. 306.25

4. A simpler method is established for determining whether or not bonds of eligible issues may be redeemed at par to apply against federal estate taxes. Sec. 306.28

5. The list of officers authorized to witness assignments has been enlarged by eliminating the requirement that officers of banks or trust companies be executive officers. The test will now be whether or not the officer is authorized to bind his institution; the authority will be presumed if the officer bears one of the titles enumerated in the regulations and uses the institution seal, but otherwise his signature and authority must have been properly certified to the Treasury Department. Assistant managers of branches of domestically incorporated banks or trust companies are now authorized to the same extent as officers generally. Sec. 306.43(a)

6. The list of officers authorized to witness assignments has been extended under certain circumstances to include (a) all commissioned and warrant officers of the armed forces for armed forces personnel and civilian employees and their families, and (b) officers of Federal Savings and Loan

(OVER)

Associations or of other organizations that are members of the Federal Home Loan Bank System. Sec. 306.43(b)

7. Corporations, *in addition to* the witnessing officers, will be held responsible for any loss that may result from the fault or negligence of their officers in witnessing assignments. Sec. 306.44

8. The effective date of the new regulations (April 30, 1955) will be a factor in determining the purposes and manner of making of assignments by natural guardians of bonds registered in the names of minors not under legal guardianship; if acquired after that date, the new regulations will govern, if before, the new regulations will also apply, but assignment will be limited as under previous regulations with some qualifications. Sec. 306.57

9. Bonds that are part of an estate for which no legal representative has been or is to be appointed may be disposed of in any authorized manner pursuant to agreement of all persons entitled; the former restriction against such disposition in estates of more than \$500 has been removed. Sec. 306.68

10. Provision is made for the disposition of small amounts of securities, and interest, without formal assignment and without requiring evidence other than proper execution of the forms provided. Sec. 306.69

11. In the usual case, the propriety of a resolution adopted by trustees to support assignment in their behalf will not be questioned even though they are not designated in the registration as a board or similar body; it will be presumed the trustees are properly authorized to act as a unit in the absence of notice to the contrary. Sec. 306.76

12. If securities are registered in the name of a guardian or similar representative as such, no evidence will be necessary to support his assignment except as limited in the case of fiduciaries generally; this is a definite departure from previous requirements and brings guardians under equivalent regulations covering executors and trustees in this respect. Sec. 306.77

13. The regulations no longer require that a corporation acting as a fiduciary alone or with individuals show current qualification; the usual fiduciary resolution will, however, be required as before to support the authority of the officer assigning in the corporation's behalf, except as otherwise provided. Sec. 306.78

14. Reports of loss or theft of bearer securities *occurring after their face maturity* will be recorded, and efforts will be made to detect them upon their receipt at the Treasury Department or Federal Reserve Bank with a view to giving the owner an opportunity to establish his rights to them. Sec. 306.95(b)

This Bank has prepared and issued forms from time to time to effect certain transactions with this Bank, as fiscal agent of the United States, under the regulations. The following table contains a list of this Bank's forms that are still current and usable under the revised regulations; a list of the equivalent Treasury forms, and of the sections in Treasury Circular No. 300, Revised, that contain a reference to the Treasury's forms:

<i>This Bank's Form</i>	<i>Treasury's Form</i>	<i>Treasury Circular No. 300, Revised</i>
GB 309	PD 1644	Sec. 306.16
GB 309	PD 1827	Sec. 306.17
GB 305	PD 1643	Sec. 306.18
GB 308	PD 1642	Sec. 306.21
GB 35	PD 1827	Sec. 306.22
GB 310	PD 1705	Sec. 306.26
GB 311	PD 1704	Sec. 306.27

This Bank's Operating Circular No. 17, Revised January 9, 1951, will be revised to reflect the changes made in the revised regulations.

Additional copies of Treasury Department Circular No. 300, Revised, will be furnished upon request.

ALLAN SPROUL,  
*President.*

UNITED STATES TREASURY DEPARTMENT

GENERAL REGULATIONS

WITH RESPECT TO

UNITED STATES  
SECURITIES

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Department Circular No. 300

REVISED

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April 30, 1955

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
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## TABLE OF CONTENTS

	Page
Subpart A—General Information.....	1
Section 306.0.—Applicability of regulations.....	1
Section 306.1.—Official Agencies.....	1
Section 306.2.—Definitions.....	2
(1) Treasury bonds and Treasury notes.....	2
(2) Transferable.....	2
(3) Registered securities.....	2
(4) Bearer securities.....	2
(5) Payment and redemption.....	2
(6) Face maturity.....	2
(7) Redemption-exchange.....	2
(8) Proper court.....	2
(9) Assigned in blank.....	2
Section 306.3.—Distinctive features of registered and bearer securities.....	2
(a) Registered securities.....	2
(b) Bearer securities.....	2
Section 306.4.—Transportation charges and risks in the shipment of securities.....	3
Subpart B—Registration.....	3
Section 306.10.—General.....	3
Section 306.11.—Forms of registration for transferable bonds.....	3
(1) Natural persons in their own right.....	3
(i) One person.....	3
(ii) Two or more persons with right of survivorship.....	3
(iii) Two or more persons without right of survivorship.....	3
(2) Natural guardians of minors.....	4
(3) Incompetents not under guardianship.....	4
(4) Executors, administrators, guardians and similar fiduciaries or representatives.....	4
(5) Private trust estates.....	4
(6) States, public officers, corporations or bodies as trustees.....	4
(7) Private organizations (corporations, unincorporated associations and partnerships).....	5
(i) A corporation.....	5
(ii) An unincorporated association.....	5
(iii) A partnership.....	5
(8) States, public corporations and bodies and public officers.....	5
Section 306.12.—Forms of registration for nontransferable securities.....	5
Section 306.13.—Errors in registration.....	5
Subpart C—Transfers, Exchanges and Reissues.....	5
Section 306.15.—General.....	5
Section 306.16.—Transfers of registered securities.....	6
Section 306.17.—Denominational exchanges of registered securities.....	6
Section 306.18.—Registered exchanges (exchanges of registered bonds for coupon bonds).....	6
Section 306.19.—Reissue of nontransferable securities.....	6
(1) Treasury Savings Notes.....	6
(2) Treasury Bonds, Investment Series B-1975-80.....	6
Section 306.20.—Exchange of Treasury Bonds, Investment Series B-1975-80.....	7
Section 306.21.—Coupon exchanges (exchanges of coupon bonds for registered bonds).....	7
Section 306.22.—Denominational exchanges of coupon securities.....	7
Subpart D—Redemption or Payment.....	7
Section 306.25.—General.....	7
Section 306.26.—Redemption of registered bonds at maturity or upon prior call.....	7
Section 306.27.—Redemption of bearer securities at maturity or upon prior call.....	8
Section 306.28.—Optional redemption of Treasury bonds at par (before maturity or call redemption date) and application of proceeds in payment of Federal estate taxes.....	8
(a) General.....	8
(b) Conditions.....	8
(i) Partnership holdings.....	8
(ii) Coownership holdings.....	8
(iii) Trust holdings.....	9
(c) Restriction on amount redeemable; transactions after death of owner.....	9

	Page
Subpart E—Interest.....	9
Section 306.35.—Computation of interest.....	9
(a) Treasury bonds, notes and certificates of indebtedness.....	9
(b) Treasury savings notes.....	9
Section 306.36.—Termination of interest.....	9
Section 306.37.—Interest on registered bonds.....	9
(a) Method of payment.....	9
(b) Closing of transfer books.....	10
(c) Change of address.....	10
(d) Endorsement of interest checks in general.....	10
(e) Endorsement of interest checks by voluntary guardians of incompetents.....	10
(f) Endorsement of interest checks by natural guardians of minors.....	11
(g) Nonreceipt, loss, theft or destruction of interest checks.....	11
Section 306.38.—Interest on bearer securities.....	11
Subpart F—Assignments of Registered Bonds—General.....	11
Section 306.40.—Execution of assignments.....	11
Section 306.41.—Assignment forms.....	11
Section 306.42.—Form of assignment.....	11
Section 306.43.—Officers authorized to witness assignments.....	12
(a) Officers authorized generally.....	12
(b) Officers having limited authority.....	12
(c) Authorized officers in foreign countries.....	12
(d) Special provisions for witnessing assignments.....	12
Section 306.44.—Duties of witnessing officers and responsibility for their acts.....	13
Section 306.45.—Assignments executed before interested persons.....	13
Section 306.46.—Assignments by assignees and other new owners.....	13
Section 306.47.—Alterations and erasures.....	13
Section 306.48.—Voidance of assignments.....	13
Section 306.49.—Discrepancies in names.....	13
(a) Inscription and assignment or supporting evidence.....	13
(b) Signature and supporting evidence.....	13
(c) Bonds variously inscribed.....	13
Section 306.50.—Nontransferable securities.....	14
Subpart G—Assignments by or in Behalf of Individuals.....	14
Section 306.55.—Signature, minor errors, and change of name.....	14
Section 306.56.—Assignments of bonds registered in the names of two or more persons.....	14
(a) For transfer or exchange.....	14
(b) For redemption or redemption-exchange (registration in alternative).....	14
(c) For redemption or redemption-exchange (joint registration).....	14
Section 306.57.—Minors.....	14
(a) Assignments by natural guardians of bonds registered in the names of minors.....	14
(b) Assignments by natural guardians of bonds registered in their names.....	15
(c) Assignments by minors.....	15
(d) Assignments by legal guardians.....	15
Section 306.58.—Incompetents.....	15
(a) Definition.....	15
(b) Assignments by legal guardians.....	15
(c) Assignments by voluntary guardians.....	15
Section 306.59.—Attorneys in fact.....	16
Section 306.60.—Nontransferable securities.....	16
Subpart H—Assignments in Behalf of Estates of Deceased Registered Owners.....	16
Section 306.65.—In course of administration.....	16
Section 306.66.—Temporary and special administrators.....	17
Section 306.67.—After settlement through court proceedings.....	17
Section 306.68.—Without administration.....	17
Section 306.69.—Special provisions applicable to small amounts of securities, interest checks or redemption checks.....	17
Section 306.70.—Nontransferable securities.....	17
Subpart I—Assignments by or in Behalf of Fiduciaries and Legal Representatives.....	18
Section 306.75.—Individual trustees.....	18
Section 306.76.—Boards of trustees and trustees acting as a unit.....	18
Section 306.77.—Individual guardians.....	18
Section 306.78.—Corporate representatives and fiduciaries.....	19
Section 306.79.—Joint representatives or fiduciaries.....	19
Section 306.80.—Assignments by representatives or fiduciaries for their own benefit.....	19
Section 306.81.—Attorneys in fact for fiduciaries.....	19
Section 306.82.—Nontransferable securities.....	20

	Page
<b>Subpart J—Assignments in Behalf of Public or Private Organizations</b> .....	20
Section 306.85.—Private corporations and unincorporated associations.....	20
Section 306.86.—Merger, consolidation, conversion, reincorporation, and change of name of private organizations.....	20
Section 306.87.—Attorney in fact for a corporation or unincorporated association.....	21
Section 306.88.—Political entities and public corporations.....	21
Section 306.89.—Public officers.....	21
Section 306.90.—Partnerships.....	21
Section 306.91.—Nontransferable securities.....	22
<b>Subpart K—Conflicting Claims</b> .....	22
Section 306.95.—Responsibility of Treasury Department.....	22
(a) General.....	22
(b) Bearer securities.....	22
(c) Registered securities.....	22
(d) Interest coupons.....	22
Section 306.96.—Circumstances under which the ownership of securities payable to bearer may be questioned.....	22
Section 306.97.—Judicial proceedings.....	23
(1) Judicial transfers.....	23
(2) Sales under court orders.....	23
(3) Bankruptcy proceedings.....	23
(4) Receivers.....	23
Section 306.98.—Assignments affected by fraud.....	23
Section 306.99.—Forged assignments.....	24
Section 306.100.—Nontransferable securities.....	24
<b>Subpart L—Relief on Account of Loss, Theft, Destruction, Mutilation or Defacement</b> .....	24
Section 306.105.—Statutory authority and requirements.....	24
Section 306.106.—Securities to which this subpart applies.....	24
Section 306.107.—Reports of disappearance or recovery.....	24
Section 306.108.—Caveats (Stoppages).....	25
Section 306.109.—Destruction or partial destruction of bearer securities.....	25
Section 306.110.—Loss or theft (including possible destruction) of bearer securities or registered securities so assigned as to become, in effect, payable to bearer.....	25
Section 306.111.—Loss or theft of registered securities not so assigned as to become, in effect, payable to bearer.....	25
Section 306.112.—Destruction or partial destruction of registered securities.....	26
Section 306.113.—Bonds of indemnity.....	26
(a) When required.....	26
(b) When not required.....	26
Section 306.114.—Mutilated or defaced securities.....	26
Section 306.115.—Loss, theft, destruction, mutilation or defacement of detached interest coupons.....	26
Section 306.116.—Loss, theft, or destruction of restrictively endorsed bearer securities.....	27
Section 306.117.—Nontransferables.....	27
<b>Subpart M—Miscellaneous Provisions</b> .....	27
Section 306.120.—Additional requirements.....	27
Section 306.121.—Waiver of regulations.....	27
Section 306.122.—Forms.....	27
Section 306.123.—Acceptance of securities of the United States as security for public purposes.....	27
Section 306.124.—Repeal of previous circulars subject to existing rights.....	27
Section 306.125.—Supplements, amendments or revisions.....	27
<b>APPENDIX</b> .....	27

# GENERAL REGULATIONS WITH RESPECT TO UNITED STATES SECURITIES

1955

Department Circular No. 300  
Revised

Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, April 1, 1955.

To Owners of United States Securities and Others Concerned:

Pursuant to the following Revised Statutes and Statutes at Large, as amended, and corresponding sections of the United States Code, 1952 edition:

R. S. 161 (5 U. S. C. 22).

R. S. 3706 (31 U. S. C. 739).

40 Stat. 288, 290 and 1309 (31 U. S. C. 752, 752a, 753 and 754).

48 Stat. 343 (31 U. S. C. 754a).

50 Stat. 481 (31 U. S. C. 738a).

Department Circular No. 300, dated July 31, 1923, as amended and supplemented (31 CFR 306), and Department Circular No. 666, dated July 21, 1941 (31 CFR 307), are hereby revised, consolidated and reissued, effective April 30, 1955, as Department Circular No. 300, Revised, to read as follows:

## SUBPART A—GENERAL INFORMATION

SEC. 306.0. *Applicability of regulations.*—These regulations, except as otherwise specifically provided herein, apply to all United States transferable securities heretofore or hereafter issued by the Secretary of the Treasury as evidence of the public debt of the United States, including (but not limited to) Treasury bonds, Treasury notes, Treasury certificates of indebtedness, Treasury bills, Postal Savings bonds and Panama Canal bonds.<sup>1</sup> When other public debt securities are issued on an optional exchange basis to owners of any outstanding United States transferable securities, the provisions of these regulations applicable to the exchange may be supplemented or modified by instructions issued in connection with the new offering. These regulations also

<sup>1</sup> The bonds and other securities issued by certain agencies of the United States, the former government of Puerto Rico, and the former governments of the Philippine Islands for which the United States Treasury Department acts as transfer agency are subject to these regulations, so far as applicable, under special arrangements with the issuing authorities. Information as to their application to any particular transaction in any designated agency or insular securities will be furnished by the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., upon request.

apply to United States nontransferable securities, other than United States Savings Bonds, to the extent specified in the offering circulars or special regulations governing such securities. Their application to outstanding nontransferable securities is expressly set forth in, or indicated by the context of, each subpart or section.

SEC. 306.1. *Official Agencies.*—Securities subject to these regulations are issued from time to time, pursuant to public offerings by the Secretary of the Treasury, through the Federal Reserve Banks, fiscal agents of the United States, and the Treasurer of the United States, usually for subscription during a specified period. Banking institutions generally will handle subscriptions for customers, but only the Federal Reserve Banks and Branches and the Treasury Department are authorized to act as official agencies, and subscriptions may be made direct to these official agencies. The Secretary of the Treasury, through the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., conducts transactions in securities after issue and answers inquiries concerning such transactions. However, the public will generally find it advantageous to make inquiries of, or submit securities to, the Federal Reserve Banks and Branches, which are official agencies for the receipt of securities for transactions after issue, and may be authorized to complete such transactions. The Federal Reserve Banks and Branches are located in the cities indicated by their names, as follows:

Federal Reserve Bank of Boston.	Federal Reserve Bank of St. Louis,
Federal Reserve Bank of New York, Buffalo Branch.	Little Rock Branch, Louisville Branch, Memphis Branch.
Federal Reserve Bank of Philadelphia.	Federal Reserve Bank of Minneapolis, Helena (Montana) Branch.
Federal Reserve Bank of Cleveland, Cincinnati Branch, Pittsburgh Branch.	Federal Reserve Bank of Kansas City, Denver Branch, Oklahoma City Branch, Omaha Branch.
Federal Reserve Bank of Richmond, Baltimore Branch, Charlotte Branch.	Federal Reserve Bank of Dallas, El Paso Branch, Houston Branch, San Antonio Branch.
Federal Reserve Bank of Atlanta, Birmingham Branch, Jacksonville Branch, Nashville Branch, New Orleans Branch.	Federal Reserve Bank of San Francisco, Los Angeles Branch, Portland (Oregon) Branch, Salt Lake City Branch, Seattle Branch.
Federal Reserve Bank of Chicago, Detroit Branch.	



SEC. 306.2. *Definitions.*—Certain words and terms, as used in these regulations, are defined as follows:

(1) "Treasury bonds" and "Treasury notes," or simply "bonds" and "notes," unless otherwise indicated by the context, refer only to transferable bonds or notes. Transferable Treasury notes are currently issued only in bearer form, but the provisions of these regulations with respect to transferable registered Treasury bonds will apply equally to transferable registered Treasury notes, if any should be issued.

(2) "Transferable" applies only to securities which are transferable by delivery, or by assignment and delivery, as distinguished from those which by their terms are not so transferable or are transferable only by operation of law, such as United States Savings Bonds, to which these regulations do not apply, and Treasury Savings Notes, to which these regulations apply only in part.

(3) "Registered securities" are those which are payable on their face to certain persons whose names and addresses are recorded by the issuing agency. For other features of registered securities see Sec. 306.3 (a).

(4) "Bearer securities" are those which are payable on their face to "bearer" and the ownership of which is not recorded by the Department. Title to such securities may pass by delivery without endorsement and without notice to the Department. "Coupon securities" are bearer securities which are issued with interest coupons attached. For other features of coupon or bearer securities see Sec. 306.3 (b).

(5) "Payment" and "redemption," as applied to securities, unless otherwise indicated by the context, are used interchangeably to refer to payment at maturity or payment before maturity pursuant to a call for redemption in accordance with the terms of the securities.

(6) The words "face maturity" refer to the date of payment specified in the text of the securities, as distinguished, in the case of securities with a callable feature, from the date on which they may become redeemable at the option of the obligor pursuant to a call.

(7) "Redemption-exchange" refers to any authorized redemption of securities for the purpose of applying the proceeds in payment for other securities offered in exchange.

(8) A "proper court" is one which has jurisdiction over the parties and subject matter.

(9) The words "assigned in blank" refer to assignments of bonds by or on behalf of the owner, but without the space provided for the name of the assignee being filled in. The words "bonds so assigned as to become, in effect, payable to bearer," refer to bonds assigned in blank or to "bearer" or those on which the assignment form or forms have been signed by or

on behalf of the owner, and the words "The Secretary of the Treasury for exchange for coupon bonds" (or substantially similar words), have been inserted in the space provided for the name of the assignee, without inserting also the name of the person to whom the coupon bonds are to be delivered.

SEC. 306.3. *Distinctive features of registered and bearer securities.*

(a) *Registered securities.*—Transferable registered bonds are payable, according to their terms, only to the designated payees or "registered assigns" (including assignees or successors in title), and are transferable by delivery pursuant to assignments duly executed by them or their duly authorized representatives. Nontransferable securities, which are issued only in registered form, are payable according to their terms to the registered owners or recognized successors in title, but are not transferable by assignment or otherwise, except to the extent and in the manner provided in the offering circulars or applicable regulations. The interest due on registered bonds to which these regulations apply, in whole or in part, including nontransferable Treasury Bonds, Investment Series A-1965 and B-1975-80, is paid by checks drawn on the Treasurer of the United States to the order of the owners of record. Bearer bonds may be exchanged for registered bonds and holders may wish to take advantage of this privilege for their own protection, particularly where adequate facilities for safekeeping are not available. Treasury Savings Notes are nontransferable and are registered at time of issuance by recordation in the names of the owners by the issuing agency, which may be the Office of the Treasurer of the United States, the Bureau of the Public Debt or a Federal Reserve Bank or Branch. The interest on such notes is paid only with the principal, when presented for payment, in cash or in payment of Federal estate, income or gift taxes. Relief may be granted on account of the loss, theft or destruction of transferable or nontransferable registered securities upon compliance with the applicable provisions of Subpart L.

(b) *Bearer securities.*—Bearer securities include bonds, notes, certificates of indebtedness and Treasury bills. The interest on bearer bonds (usually referred to in these regulations as coupon bonds) is ordinarily payable by means of attached coupons, which may be detached and cashed as they mature. The interest on some issues of notes and certificates of indebtedness is payable in the same manner; the interest on other issues is payable with the principal at maturity, and no coupons are attached. The interest on Treasury bills, which are sold on a discount basis and are payable at par at maturity, is represented by the difference between the purchase price and the par value, and no coupons are attached. Relief may be granted on account of the loss, theft or destruction of bearer securities upon compliance with the applicable provisions of Subpart L;

but in case of loss or theft relief may be granted only if the securities were lost or stolen under such circumstances, and have been missing for such a period of time after they have matured or become redeemable pursuant to a call for redemption, as would indicate that they (1) have been destroyed or become irretrievably lost, (2) are not held by any person as his own property, and (3) will never become the basis of a valid claim against the United States.

SEC. 306.4. *Transportation charges and risks in the shipment of securities.*—The following rules will govern the transportation to, from and between the Treasury Department and the Federal Reserve Banks and Branches of securities issued on or presented for authorized transactions:

(1) The securities may be presented or received by the owners or their agents in person.

(2) Securities issued *on original issue*, unless delivered in person, will be delivered by registered mail or by other means at the risk and expense of the United States.

(3) The United States will assume the risk and expense of any transportation of securities which may be necessary between Federal Reserve Banks and Branches and the Treasury.

(4) Owners of securities to be submitted for any transaction after original issue, if they do not present their securities in person, must forward them at their risk and expense, and for their protection they should ordinarily forward them by registered mail, covered by insurance, or by express prepaid; however, owners may deem it unnecessary to insure registered securities which have not been so assigned as to become, in effect, payable to bearer.

(5) Unless delivered in person, *bearer securities* issued on transactions other than original issue will be delivered by registered mail, covered by insurance, at the owner's risk and expense, and *registered securities* issued on such transactions will be delivered by registered mail at the risk of, but without expense to, the registered owner, except that in either case the securities will be delivered by express collect or by other means if written instructions to such effect are duly received by the official agency to which the original securities were presented.

Holders of securities should consult with their banks and trust companies regarding transportation arrangements between the latter and the Federal Reserve Banks.

## SUBPART B—REGISTRATION

SEC. 306.10. *General.*—Except as otherwise specifically provided in these regulations, the registration used must express the actual ownership of the security, and may not include any restriction on the authority of the owner to dispose of it in any manner. The Treasury Depart-

ment reserves the right to treat the registration as conclusive of ownership. In order to avoid difficulty in assigning securities or collecting interest thereon, it is very important that requests for registration be clear, accurate and complete, that the registration requested conform substantially with one of the forms set forth in this subpart, and that the registration of all securities owned by the same person, organization or fiduciary estate be uniform. The post office address, which is required for delivery of interest checks, must include, where appropriate, the street and number, postal zone, rural route or any other local feature. Individual owners must be designated by the names by which they are ordinarily known or under which they do business, preferably including at least one full given name. The name of an individual may be preceded by any applicable title, such as "Dr." or "Rev." or followed by "M. D.," "D. D." or other similar designation. "Sr." or "Jr." must be used when applicable. The name of a woman must be preceded by "Miss" or "Mrs.," unless some other applicable title or designation is used. A married woman's own given name, not that of her husband, must be used, for example, "Mrs. Mary A. Jones," NOT "Mrs. Frank B. Jones." The authorizations and restrictions set forth in this subpart with respect to forms of registration apply to all registered securities issued after the effective date of these regulations, whether on original issue, transfer or coupon exchange.

SEC. 306.11. *Forms of registration for transferable bonds.*—The forms of registration described below are authorized for transferable bonds (subject to the general provisions of Section 306.10):

(1) *Natural persons in their own right.*—A bond may be registered in the name of a natural person or persons who are not under any legal disability, in their own right, substantially as follows:

(i) *One person.*—In the name of one individual, for example:

"John A. Doe"

"Mrs. Mary C. Doe"

"Miss Mary Ann Doe"

If an individual is the sole proprietor of a business conducted under a trade name, his name may be followed by reference to the trade name, for example, "John Doe, doing business as Doe's Home Appliance Store."

(ii) *Two or more persons with right of survivorship.*—In the names of two or more individuals in such manner as to provide for the right of survivorship, for example:

"John A. Doe or Mrs. Mary C. Doe or the survivor"

"John A. Doe and Mrs. Mary C. Doe or the survivor"

"John A. Doe or Mrs. Mary C. Doe or Miss Mary Ann Doe or the survivors or survivor"

(iii) *Two or more persons without right of survivorship.*—In the names of two or more individuals

in such manner as to preclude the right of survivorship, for example:

"John A. Doe and William B. Doe as tenants in common"  
 "John A. Doe or Robert B. Doe without right of survivorship"

For information as to assignments of bonds and endorsements of interest checks under the examples given, see Secs. 306.56 and 306.37 (d), respectively. Treasury bonds will not be registered in the name of one person payable on death to another, and can not be registered in the names of two or more persons in their own right *in any form* whereby assignments by less than all the persons named in the registration (or all the survivors) may be recognized before maturity or earlier redemption date, pursuant to a call.<sup>2</sup>

(2) *Natural guardians of minors.*—A bond may be registered in the name of a natural guardian of a minor for whose estate no legal guardian or similar representative has been appointed by a proper court or is otherwise legally qualified. Either parent with whom the minor resides or, if he does not reside with either parent, the person who furnishes his chief support, will be recognized as his natural guardian for the purposes of this paragraph, for example:

"John Jones as natural guardian of Henry Jones, a minor"

The person recognized as natural guardian will be considered as a fiduciary. Registration in the name of a minor himself (as distinguished from registration in the name of a legal or natural guardian) as owner or coowner is not authorized, except to the extent provided in Sec. 306.57 (a) (3).

(3) *Incompetents not under guardianship.*—Registration in the name of an incompetent for whose estate no legal guardian has been appointed is not authorized, except to the extent provided in Secs. 306.37 (e) and 306.58 (c) (2).

(4) *Executors, administrators, guardians and similar fiduciaries or representatives.*—A bond may be

registered in the names of the executors, administrators, guardians, conservators or similar fiduciaries or representatives of a single estate who have been appointed by a proper court or are otherwise legally qualified. The names of all the fiduciaries or representatives, in the form shown in their letters of appointment, must be included in the registration and must be followed by an adequate identifying reference to the estate, for example:

"John Smith, executor of the will (or administrator of the estate) of Henry J. Smith, deceased"  
 "William C. Jones, guardian (or conservator, etc.) of the estate of James D. Brown, a minor (or, an incompetent)"

(5) *Private trust estates.*—A bond may be registered in the name of the trustee or trustees of a duly constituted private trust estate, followed by the word "trustee" or "trustees", as the case may be, and by adequate identifying reference to the authority governing the trust. The names of all the trustees, in the form used in the trust instrument, must be included in the registration, except as follows:

(i) If there are several trustees constituting a board, their names should be omitted and the words "Board of Trustees" should be substituted for the word "Trustees."

(ii) If there are several trustees who are empowered to act as a unit, but are not designated as a board of trustees, their names should be omitted, but the word "trustees" should be retained.

(iii) If there are four or more trustees who do not constitute a board or otherwise act as a unit, only one should be named, followed by the words "et al." or "and others."

(iv) If the trustee or trustees are appointed or elected for a limited period, his or their names may be omitted.

The following examples illustrate the proper forms of registration in typical cases:

(An individual and a corporation as trustees under the will of a decedent): "John Jones and -- Trust Company, Albany, N. Y., trustees under the will of Sarah Jones, deceased"

(Two individuals as trustees under an agreement with a third individual): "John Doe and Richard Doe, trustees under agreement dated 2/9/50 with Henry Jones"

(Several trustees designated as a board): "Board of Trustees of the -- Company Retirement Fund under collective bargaining agreement dated 6/30/50"

(Several trustees acting as a unit but not designated as a board): "Trustees of Victory Post No. 1, American Legion, Department of Massachusetts, under Section 10 of its bylaws"

(Several trustees elected or appointed for a limited period of time): "Trustees of the Welfare Fund of -- Company under agreement with its employees, dated 6/10/50"

(6) *States, public officers, corporations or bodies as trustees.*—A bond may be registered in the title of a

<sup>2</sup> WARNING: DIFFERENCE BETWEEN TREASURY BONDS REGISTERED IN THE NAMES OF TWO OR MORE PERSONS AND UNITED STATES SAVINGS BONDS IN COOWNERSHIP FORM. Treasury bonds in the names of two or more persons are for many practical purposes decidedly different from United States Savings Bonds in coownership form. Owners of Treasury bonds may obtain cash for them before maturity or a call for redemption by the Secretary of the Treasury before maturity only by selling them. A sale involves an outright transfer of ownership, which may legally be made only upon assignment by or on behalf of all owners. These regulations, therefore, require such assignment. United States Savings Bonds, unlike Treasury bonds, are *not* transferable securities and are redeemable before maturity at the option of the owners virtually on demand to the Treasury Department. Redemption does not involve a transfer of ownership and, therefore, the Secretary of the Treasury has authority to provide, and has provided, for the redemption of savings bonds in coownership form upon the request of either of the coowners.

public officer or in the name of a state or county, a public corporation or public body acting as trustee under express authority of law, followed by appropriate reference to the statute creating the trust, for example:

"State Sinking Fund Commission, trustee of State Highway Certificates of Indebtedness Sinking Fund, under Section --, Code of South Carolina"

"Insurance Commissioner of the State of Pennsylvania, trustee for the benefit of the policyholders of the -- Insurance Co., under Section --, Penna. Statutes"

(7) *Private organizations (corporations, unincorporated associations and partnerships).*—A bond may be registered in the name of any private corporation, unincorporated association or partnership. The full legal name of the organization, as set forth in its charter, articles of incorporation, constitution, partnership agreement or other authority from which its powers are derived, as the case may be, must be included in the registration, and may be followed, if desired, by a parenthetical reference to a particular book account or fund other than a trust fund, in accordance with the rules and examples given below:

(i) *A corporation.*—The name of a business, fraternal, religious or other private corporation must be followed by the words "a corporation", unless the fact of incorporation is shown in the name, for example:

"Smith Manufacturing Company, a corporation"

"The Standard Manufacturing Corporation"

"Jones and Brown, Inc."

(ii) *An unincorporated association.*—The name of a lodge, club, labor union, veterans' organization, religious society or similar self-governing organization which is not incorporated (whether or not it is chartered by or affiliated with a parent organization which is incorporated) must be followed by the words "an unincorporated association", for example:

"American Legion Post No. --, Department of the District of Columbia, an unincorporated association"

"Local Union No. 100, Brotherhood of Locomotive Engineers, an unincorporated association"

Bonds should not be registered in the name of an unincorporated association if the legal title to its property in general, or the legal title to the particular association funds with which the bonds are to be purchased, is held by trustees. In any such case the bonds should be registered in the title of the trustees in accordance with paragraph (5) of this section. The term "unincorporated association" should not be used to describe a trust fund, a partnership or a business conducted under a trade name.

(iii) *A partnership.*—The name of a business partnership must be followed by the words "a partnership", for example:

"Smith & Brown, a partnership"

"Acme Novelty Company, a partnership"

The term "partnership" should not be used to describe a business owned by one person, even though it is conducted under a trade name. Bonds purchased by the owner of such a business should be registered in his name in accordance with paragraph (1) (i) of this section.

(8) *States, public corporations and bodies and public officers.*—A bond purchased with funds owned by any state or county, public corporation (including a city, town, or school district), or public body established by law (including a board, commission, administration, authority, or agency) in its own right may be registered in its name or in the title, without the name, of the officer having official custody of such funds, for example:

"State of Maine"

"Town of Rye, New York"

"Maryland State Highway Commission"

"Treasurer, City of Springfield, Ill."

(See paragraph (6) of this section for the proper registration of bonds held in trust.)

SEC. 306.12. *Forms of registration for nontransferable securities.*—The forms of registration set forth in Sec. 306.11 are authorized upon authorized reissue of 2¾ percent Treasury Bonds, Investment Series B-1975-80. Those forms of registration are also authorized upon original issue or authorized reissue of Treasury Savings Notes, except that registration may not be made in the names of two or more persons as joint owners or co-owners, or in the name of a trustee where the notes would be held as security for the performance of a duty or obligation, or in the name of a public officer, whether or not named as trustee, where the notes would in effect be held as security.

SEC. 306.13. *Errors in registration.*—In no case should any erasure, alteration or correction be made in the inscription on the registered security. If an error has been made in the inscription, instructions regarding the procedure for correction of the error will be furnished by the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., or a Federal Reserve Bank. Full particulars in regard to the error should be set out in the request for instructions.

## SUBPART C—TRANSFERS, EXCHANGES AND REISSUES

SEC. 306.15. *General.*—Transferable registered bonds are eligible for transfer, denominational exchange and exchange for coupon bonds, except that Panama Canal and Postal Savings bonds are eligible for transfer and denominational exchange only. Treasury Bonds, Investment Series B-1975-80, and Treasury Savings Notes are eligible for transfer by way of authorized reissue

and denominational exchange, except that Treasury Savings Notes may be exchanged only from higher to lower denominations. Treasury Bonds, Investment Series B-1975-80, are eligible for exchange for the current series of 1½ percent 5-year Treasury Notes. Coupon bonds and other bearer securities, other than Postal Savings and Panama Canal bonds, are eligible for denominational exchange, except that Treasury bills may be exchanged only from higher to lower denominations. Coupon bonds of any loan or issue are eligible for exchange for registered bonds. The securities submitted for any transaction must be presented and surrendered to a Federal Reserve Bank or Branch or the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. If the securities presented are in order for the transaction requested, they will be cancelled and retired and new securities in an equal face amount in authorized denominations will be issued and delivered. Except as otherwise specifically provided, the new securities will be of the same loan and issue as those presented. Specific instructions for the issuance and delivery of the new securities, signed by the owner or his authorized representative, must accompany the securities presented. Securities presented for any transaction described in this section, except denominational exchange, must be received by the agency authorized to complete the transaction not less than one full month before the date on which the securities mature or become redeemable pursuant to a call for redemption before maturity, and any security so presented which is received too late to comply with this provision will be accepted for payment only or redemption-exchange if new securities are offered.

SEC. 306.16. *Transfers of registered securities.*—Registered bonds which are eligible for transfer from one person to another and presented for that purpose must be properly assigned in accordance with Subpart F, except that no assignment will be required for transfer to a succeeding fiduciary or other legal successor, including a distributee of a decedent's estate or a trust estate, or a corporation with which another corporation has merged or consolidated, but satisfactory proof of successorship will be required. Assignments for transfer should be made to the transferee. Assignments in blank will also be accepted, but should be used with caution; see Sec. 306.42. Specific signed instructions for the issuance and delivery of the new bonds must accompany the bonds presented. (Form PD 1644 may be used.) The new bonds will bear interest from the interest payment date next preceding the date of presentation, except as provided in Sec. 306.37 (b).

SEC. 306.17. *Denominational exchanges of registered securities.*—No assignment or endorsement will be required for the authorized exchange of registered Treasury bonds or Treasury Savings Notes for like securities in the same names in other authorized denominations, as

no change of ownership is involved. Specific signed instructions for the issuance and delivery of the new bonds or notes must accompany the securities presented. (Form PD 1827 may be used.)

SEC. 306.18. *Registered exchanges (exchanges of registered bonds for coupon bonds).*—Registered bonds eligible for exchange for coupon bonds and presented for that purpose must be properly assigned in accordance with Subpart F. Assignments for registered exchange should be made to "The Secretary of the Treasury for exchange for coupon bond(s) to be delivered to \_\_\_\_\_," inserting the name and address of the person to whom delivery of the coupon bond(s) is to be made. Assignments in blank or for exchange for coupon bond(s), or to "The Secretary of the Treasury for exchange for coupon bond(s)," will also be accepted, but should be used with caution; see Sec. 306.42. Specific signed instructions for the issuance and delivery of the coupon bonds must accompany the bonds presented, unless included in the assignment. (Form PD 1643 may be used.) The coupon bonds issued upon exchange will have all matured coupons detached and all unmatured coupons attached. For the effect of the closing of the transfer books, see Sec. 306.37 (b).

SEC. 306.19. *Reissue of nontransferable securities.*—Nontransferable securities governed by these regulations may be reissued only in the names of (1) successors in title, including, but not limited to, succeeding organizations, persons entitled upon the dissolution of an organization, and succeeding trustees or persons entitled upon termination of a trust, or (2) persons entitled upon the death of the owner as legal representatives or distributees of the estate, except that Treasury Savings Notes and Treasury Bonds, Investment Series B-1975-80, may also be reissued as provided below. Treasury Bonds, Investment Series A-1965, may be reissued only as provided in Department Circular No. 815.

(1) *Treasury Savings Notes* inscribed in the name of a married man may be reissued in the name of his wife and notes inscribed in the name of a married woman may be reissued in the name of her husband; and notes inscribed in the name of a parent corporation (defined as a corporation owning more than 50 percent of the stock, with voting power, of another corporation) may be reissued in the name of a subsidiary, and notes inscribed in the name of a subsidiary may be reissued in the name of the parent corporation as so defined. Notes presented for reissue must be accompanied by a request for reissue on Form PD 2483 properly certified in accordance with the instructions thereon.

(2) *Treasury Bonds, Investment Series B-1975-80* may be reissued in the names of state supervisory authorities in pursuance of any pledge required of the owner under state law, or upon termination of the pledge in the names of the pledgors or their successors.

Bonds presented for reissue must be properly assigned for that purpose in accordance with Subpart F and must be accompanied by specific signed instructions for the issuance and delivery of the new bonds.

SEC. 306.20. *Exchange of Treasury Bonds, Investment Series B—1975–80.*—Bonds of this series presented for exchange for 1½ percent 5-year Treasury notes must be properly assigned in accordance with Subpart F to “The Secretary of the Treasury for exchange for the current series of EA or EO Treasury notes to be delivered to \_\_\_\_\_,” and, for the protection of the owner, the name and address of the person to whom the notes are to be delivered should be inserted. (If the bonds are owned by an organization as fiduciary or in its own right, see Sec. 306.76 or 306.80, for evidence required to support assignments for exchange for notes.) The notes will bear the April 1 or October 1 date next preceding the date the bonds are received by the Bureau of the Public Debt or a Federal Reserve Bank or Branch, properly assigned and accompanied by all required evidence. If the bonds when received are not properly assigned or are not supported by all required evidence, the notes when issued will bear the April 1 or October 1 date next preceding the date on which the proper assignment or evidence is received by the agency to which the bonds were presented. Interest accrued at the rate of 2¾ percent on the bonds surrendered, from the next preceding interest payment date to the date of exchange, will be credited, and interest at the rate of 1½ percent on the notes for the same period will be charged, to the owner, and the difference will be paid to the owner following the exchange.

SEC. 306.21. *Coupon exchanges (exchanges of coupon bonds for registered bonds).*—Coupon bonds presented for exchange for registered bonds should have all matured coupons detached. All unmatured coupons should be attached, except that if presented when the transfer books are closed (in which case the exchange will be effected on or after the date on which the books are reopened), the next maturing coupons should be detached and held for collection in ordinary course when due, as provided in Sec. 306.37 (b). If any coupons which should be attached are missing, the bonds must be accompanied by a remittance in an amount equal to the face amount of the missing coupons. Specific signed instructions for the exchange must accompany the bonds presented. (Form PD 1642 may be used.) The new registered bonds will bear interest from the interest payment date next preceding the date on which the exchange is made.

SEC. 306.22. *Denominational exchanges of coupon securities.*—Coupon securities presented for denominational exchange should have all matured coupons detached. All unmatured coupons should be attached, except that unmatured coupons which would mature before the exchange could be completed (allowing for time in transit) should also be detached. If any coupons

which should be attached are missing, the securities must be accompanied by a remittance in an amount equal to the face amount of the missing coupons. Specific signed instructions for the exchange must accompany the bonds presented. (Form PD 1827 may be used.) The new coupon securities will have all unmatured coupons attached and all matured coupons detached.

#### SUBPART D—REDEMPTION OR PAYMENT

SEC. 306.25. *General.*—Bonds, notes, certificates of indebtedness and Treasury bills, whether in registered or bearer form, are payable in due course at maturity unless they may be and are called for redemption before maturity, in which case they will be payable on the redemption date fixed in the call. The Secretary of the Treasury may provide for the exchange of maturing or called securities for new securities. Instructions with respect to the presentation and surrender of the securities, the assignment or request for payment of registered securities, the adjustment of interest, if necessary, and other details of the transaction will be set forth in the circular authorizing the exchange. Bonds, which, according to their terms, are acceptable for redemption at par and application of the proceeds in payment of Federal estate taxes will be accepted for that purpose upon compliance with the provisions of Sec. 306.28.<sup>3</sup> Registered bonds to be submitted for redemption should be presented and surrendered to a Federal Reserve Bank or Branch or to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. Except as otherwise provided in Sec. 306.28, bearer securities should be presented and surrendered to a Federal Reserve Bank or Branch or the Treasurer of the United States, Washington 25, D. C. If a bearer security, or a registered security assigned to bearer or so assigned as to become, in effect, payable to bearer, is presented and surrendered for redemption after it has become overdue, the Secretary of the Treasury may require satisfactory proof of ownership. A security shall be considered overdue within the meaning of the foregoing provision after the lapse of the following periods of time from its face maturity date:

- (a) One year in the case of bonds.
- (b) Six months in the case of Treasury notes and certificates of indebtedness.
- (c) Three months in the case of Treasury bills.

SEC. 306.26. *Redemption of registered bonds at maturity or upon prior call.*—Registered bonds of any loan and issue which have become due and payable, whether

<sup>3</sup> Treasury Savings Notes to be presented in payment of Federal income, estate or gift taxes should be forwarded to the District Director of Internal Revenue or deposited with a Federal Reserve Bank or Branch and a receipt obtained therefor which should be forwarded to the District Director in lieu of the notes.

at maturity or pursuant to call for redemption before maturity, are payable in due course upon presentation and surrender, properly assigned in accordance with Subpart F. Assignments for this purpose should be made to "The Secretary of the Treasury for redemption," unless the assignor desires that payment be made to some other person, in which case assignments should be made to "The Secretary of the Treasury for redemption for the account of \_\_\_\_\_," inserting the name and address of the person to whom payment is to be made. Assignments in blank or other assignments having similar effect will be accepted, but should be used with caution, see Sec. 306.42. Specific instructions for the issuance and delivery of the redemption check, signed by the owner or his authorized representative, must accompany the bonds, unless included in the assignment. (Form PD 1705 may be used.) Payment will be made by check drawn on the Treasurer of the United States to the order of the person entitled and mailed in accordance with the instructions received. Interest payable on the maturity date, or call redemption date unless otherwise provided in the notice of call, will be paid with the principal to the person entitled in accordance with the assignments on the bonds surrendered.

**SEC. 306.27. *Redemption of bearer securities at maturity or upon prior call.***—All interest coupons due and payable on or before the date of maturity or date fixed in the call for redemption before maturity, as the case may be, should be detached from coupon securities presented for redemption and should be collected separately in regular course. All coupons bearing dates subsequent to a date fixed in a call for redemption should be left attached to the securities, as, if any such coupons are missing the full face amount thereof will be deducted from the payment to be made upon redemption unless evidence satisfactory to the Treasury Department is submitted, establishing that they have been destroyed. Any amounts so deducted will be held in the Treasury to provide for adjustments or refunds in the event that the missing coupons should be subsequently presented or their destruction is later satisfactorily established. In the absence of other instructions payment of bearer securities will be made by check drawn to the order of the person presenting and surrendering the securities and mailed to him at his address, as given in the advice which should accompany the securities. (Form PD 1704 may be used for the advice.) A Federal Reserve Bank, upon appropriate request, may make payment to a member bank from which bearer securities are received by crediting the amount in the member bank's account.

**SEC. 306.28. *Optional redemption of Treasury bonds at par (before maturity or call redemption date) and application of proceeds in payment of Federal estate taxes.***

(a) *General.*—Treasury bonds of certain issues are redeemable at par and accrued interest upon the death of

the owner, at the option of the representatives of, or persons entitled to, his estate, for the purpose of having the proceeds applied in payment of the Federal estate taxes on the decedent's estate, in accordance with the terms of the offering circulars cited on the face of the bonds.<sup>4</sup> All bonds to be redeemed for this purpose must be presented and surrendered to a Federal Reserve Bank or Branch or the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. They must be accompanied by Form PD 1782, fully completed and duly executed by the representatives of or persons entitled to the estate, and by proof of their appointment or entitlement. Proof of appointment or entitlement should comply with the provisions of Subpart H. Registered bonds must be properly assigned in accordance with Subpart F to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at \_\_\_\_\_ for credit on Federal estate taxes due from the estate of \_\_\_\_\_, deceased." Redemption will be made at par plus accrued interest from the last preceding interest payment date to the date of redemption, except that if registered bonds are received by a Federal Reserve Bank or Branch or the Bureau of the Public Debt within one month preceding an interest payment date for redemption before that date a deduction will be made for interest from the date of redemption to the interest payment date, and a check for the full 6 months' interest will be paid in due course. The proceeds of redemption will be deposited to the credit of the District Director of Internal Revenue designated in Form PD 1782, the representatives of the estate will be notified of the deposit, and the District Director will in due course forward a formal receipt for the payment.

(b) *Conditions.*—The bonds presented for redemption under this section must have (1) been owned by the decedent at the time of his death and (2) thereupon constituted part of his estate, as determined by the following rules (which are established for the purposes of this section) in the case of partnership, coownership and trust holdings:

(i) *Partnership holdings.*—Bonds held at the time of the decedent's death by a partnership in which he had an interest will be deemed to have met the above conditions to the extent of the fractional share of the bonds so held proportionate to his interest in the assets of the partnership.

(ii) *Coownership holdings.*—Bonds held by the decedent at the time of his death in coownership with another person or persons will be deemed to have met the above conditions to the extent to which they actually became the property of the decedent's estate. They will also be deemed to have met those conditions in an

<sup>4</sup>A current list of eligible issues may be obtained from any Federal Reserve Bank or Branch or the Bureau of the Public Debt.

amount not to exceed the amount of the Federal estate tax which the surviving coowner or coowners as such are required to pay.

(iii) *Trust holdings*.—Bonds held in trust at the time of the decedent's death will be deemed to have met the above conditions in an amount not to exceed: the amount of the Federal estate tax which the trustee as such is required to pay under the terms of the trust instrument or otherwise; or, if the trust actually terminated in favor of the decedent's estate, the amount of such tax due from the estate.

(c) *Restriction on amount redeemable; transactions after death of owner*.—The face amount of the bond or bonds which may be accepted for redemption at par, plus any accrued interest thereon, may not exceed the amount of the tax due. The entire proceeds of redemption of bonds at par, including any accrued interest, must be applied in payment of the Federal estate tax, but if the bond or bonds available are in excess of the amount needed in payment of the tax and are not in the lowest authorized denominations, they may be exchanged for bonds of lower denominations in accordance with Sec. 306.17 or Sec. 306.22, as applicable, in order that the maximum amount may be selected for redemption at par. In addition to such denominational exchange, other transactions in bonds owned by the decedent and constituting part of his estate which may be conducted after the death of the owner without affecting the eligibility of the bonds for redemption at par, if no change of ownership is involved, include (1) exchange of registered bonds for coupon bonds, (2) transfer to the names of the representatives of his estate, and (3) exchange of coupon bonds for bonds registered in the names of the representatives of the estate, but all such transactions must be explained on Form PD 1782 or in a supplemental statement.

## SUBPART E—INTEREST

### SEC. 306.35. *Computation of interest.*

(a) *Treasury bonds, notes and certificates of indebtedness*.—The interest on Treasury bonds, Treasury notes and Treasury certificates of indebtedness accrues and is payable on a quarterly, semiannual or annual basis. Quarterly, semiannual or annual interest periods of exactly 3, 6 or 12 months, as the case may be, are used as the basis for computing the amount of the interest accruals. The offering circular and the text of the securities will state on which of these bases the interest accruals on a specific issue are to be computed. If the period of accrual is an exact 3, 6 or 12 months, the interest accrual is an exact one-quarter, one-half or one full year's interest, without regard to the number of days in the period. If the period of accrual is less than an exact 3, 6 or 12 months, the accrued interest is computed by determining the daily rate of accrual on the basis of the exact number of days in the full interest period, and

multiplying the daily rate by the exact number of days in the fractional period for which interest has actually accrued. A full interest period does not include the day as of which the securities were issued or the day on which the last preceding interest became due, as the case may be, but does include the day on which the next succeeding interest payment is due. A fractional part of an interest period likewise does not include the day as of which the securities were issued or the day on which the last preceding interest payment became due, but does include the day as of which the transaction terminating the accrual of interest is effected. The 29th of February in a leap year is included whenever it falls within either a full interest period or a fractional part thereof. The Appendix, pages 27 to 32, inclusive, contains a complete explanation as to the method of computing the interest on Treasury bonds, notes and certificates of indebtedness in any given situation, as well as tables for convenience in making such computations. The Appendix also outlines the method of computing the discount rate on Treasury bills.

(b) *Treasury savings notes*.—Interest accrues on Treasury savings notes each month and is paid with the principal upon redemption. The amount of each monthly accrual from the date of issue to maturity is specified in the offering circular and is printed on the reverse of each note. If redemption prior to maturity is made on an interest accrual date, interest will be paid through that date; otherwise, interest will be paid to and including the interest accrual date next preceding the redemption date. If the purchase price of notes is received and deposited on any day after the issue date, interest on such deferred payment is collectible from the purchaser for the actual number of days from but not including the issue date to and including the date the payment is received and deposited. The amount of interest collectible for each day payment is deferred is determined by dividing the amount of the initial monthly interest accrual by the number of days in the initial monthly accrual period, which may be 28, 29, 30 or 31.

SEC. 306.36. *Termination of interest*.—Securities will cease to bear interest on the date of their maturity unless they have been called for redemption prior to maturity in accordance with their terms, in which case they will cease to bear interest on the date fixed for redemption in the call.

### SEC. 306.37. *Interest on registered bonds.*

(a) *Method of payment*.—Except as otherwise provided herein, the interest on registered Treasury bonds is payable by checks drawn on the Treasurer of the United States to the order of the respective registered owners. Interest checks are prepared by the Department in advance of the interest payment date and are ordinarily mailed in time to reach the addressee on that date. Upon receipt of notice of the death or incompetency of a registered owner, the removal, resignation or death of



a fiduciary or trustee, or a change in name or status of a partnership, corporation (whether as owner, fiduciary or beneficiary) or unincorporated association, delivery of outstanding interest checks on all outstanding bonds will be withheld pending receipt and approval of proper evidence showing who is entitled to receive the interest checks. To facilitate the delivery and endorsement of checks, reissue of the bonds in the names of successors in title is strongly urged. In case of a major error in the inscription of the bonds, delivery of interest checks likewise will be withheld pending reissue of the bonds in the correct registration. (See Sec. 306.13.) The final installment of interest will be paid with the principal and in the same manner, at maturity or upon call, unless otherwise provided in the notice of call.

(b) *Closing of transfer books.*—The transfer books of the Treasury Department are closed for one full month preceding interest payment dates for the purpose of preparing interest checks. If the date set for the closing of the transfer books falls on Saturday, Sunday or a legal holiday, the books will be closed at the close of business on the last business day preceding that date. Interest on outstanding registered bonds is paid on the interest payment date to the owners of record on the closing dates. Transactions in registered bonds of the loans involved, other than denominational exchanges (see Sec. 306.17), may not be effected during the closed period, except that exchanges of  $2\frac{3}{4}$  percent Treasury Bonds, Investment Series B-1975-80, for the current series of EA or EO  $11\frac{1}{2}$  percent 5-year Treasury notes, as provided in Sec. 306.20, or optional redemption of bonds at par as provided in Sec. 306.28, may be made at any time. If registered bonds forwarded for transfer or for exchange for coupon bonds or coupon bonds forwarded for exchange for registered bonds are actually received by the Bureau of the Public Debt after the day fixed for closing the books, the transfer or exchange thereof will not be made until the first business day following the date on which interest falls due, when the books are reopened for all purposes.

(c) *Change of address.*—Notice of a change of address for the mailing of interest checks may be given on Form PD 345, or, if that form is not available, by letter, to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. In addition to the new address, the notice must contain sufficient information to identify the account, including the old address, the serial number and denomination of each bond, the title of the loan or loans (for example,  $21\frac{1}{2}$  percent Treasury Bonds of 1967-72, dated October 20, 1941), and the name of the owner as inscribed on each bond. The notice must be signed by the registered owner or his recognized representative. In the case of bonds registered in a trade name under which an individual does business, the notice must be signed by him in substantially the following form: "Doe's Home Appliance Store, by (signed) John

Doe, sole owner." Notices on behalf of partnerships must be signed by general partners, in substantially the following form: "Smith & Brown, a partnership by (signed) Charles J. Smith, a general partner." Notices on behalf of corporations, unincorporated associations and corporate fiduciaries must be signed by authorized officers, in substantially the following forms: "Smith Manufacturing Company, a corporation, by (signed) Charles J. Smith, Vice President;" "Local Union No. 100, Brotherhood of Locomotive Engineers, by (signed) James W. Henderson, Treasurer;" and "Citizens Trust Company of \_\_\_\_\_, trustee under the will of Richard Coleman, by (signed) Albert H. Stone, Trust Officer." Notices by legal representatives of the estates of deceased, incompetent or minor owners, or by attorneys in fact, must be supported by proof of their appointment, except in the case of legal representatives of such estates who are named in the registration. (See Secs. 306.65, 306.58 (b), 306.57 (d), and 306.59 respectively.) A registered owner may direct that interest checks be sent in care of an attorney in fact, at the latter's address, without submitting the power of attorney to the Department. Notices by testamentary trustees with respect to bonds registered in the names of decedents must be supported by proof of the distribution of the bonds to them in the settlement of the decedents' estates. (See Subpart H.) If there are two or more individual coowners, legal representatives, attorneys in fact or fiduciaries, a notice signed by one will be accepted unless another gives conflicting instructions. Notice should be given as promptly as possible in order to allow sufficient time for the account to be identified and the address changed before the next interest checks are prepared. If notice is not received at least 6 weeks before the interest payment dates, no assurance can be given that the checks will be mailed to the new address.

(d) *Endorsement of interest checks in general.*—Interest checks may be collected upon the endorsement of the payee or his authorized representative, in accordance with the regulations governing the endorsement and payment of Government warrants and checks, which are contained in Department Circular No. 21, Revised, as amended. In the case of checks drawn to the order of two or more persons, if "or" is used between the names, provision is made for endorsement by any one payee. If "and" is used, endorsement must be by or on behalf of all while all are living. Provision is also made for the acceptance of an endorsement by an attorney in fact for the payee, upon the guarantee of the presenting bank, without requiring that a copy of the power of attorney be submitted to the Department. See Sec. 306.69 for special provisions applicable to small amounts of interest checks belonging to the estates of decedents.

(e) *Endorsement of interest checks by voluntary guardians of incompetents.*—Any checks drawn to the order of an incompetent (as defined in Sec. 306.58 (a))

for whose estate no legal guardian or similar legal representative has been or is to be appointed, in payment of interest on bonds registered in the name of the incompetent, without reference to a voluntary guardian, should be returned to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., with a full explanation of the circumstances. If the total face amount of United States bonds registered in the name of the incompetent on which interest is paid currently does not exceed \$5,000, the relative responsible for the incompetent's care and support, or some other proper person, may apply on Form PD 1461 for authorization to collect the interest. To facilitate the collection of future interest checks, the applicant may also request the reissue of the bonds in the name of the incompetent, followed by that of the voluntary guardian, in the form "A, an incompetent under voluntary guardianship of B."

(f) *Endorsement of interest checks by natural guardians of minors.*—Any check in payment of interest on bonds registered before the effective date of these regulations in the name of a minor, alone or as coowner, who is not of sufficient age and competency to understand the act of endorsing and giving receipt may be endorsed by either parent with whom the minor resides, or, if the minor does not reside with either parent, by the person who furnishes his chief support. The parent or other person should present with the check a written statement (1) giving the minor's age, (2) setting out the fact that the payee resides with the parent or receives his chief support from the person endorsing in his behalf, and (3) that the proceeds of the check will be used for the minor's benefit, as provided in Section 7 (c) of Department Circular No. 21, Revised, as amended.

(g) *Nonreceipt, loss, theft or destruction of interest checks.*—If an interest check is not received within a reasonable period after an interest-payment date, or if a check is lost, stolen or destroyed after receipt, the fact of nonreceipt, loss, theft or destruction should be reported to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. This notification should include a description by loan, issue, serial number, denomination and inscription of the securities upon which the interest check was due. If the check is subsequently received or recovered, advice to that effect should be sent to the Treasurer of the United States, Washington 25, D. C. Substitutes for lost interest checks may be obtained upon compliance with the Treasury Department regulations, as set forth in Department Circular No. 327, Revised.

SEC. 306.38. *Interest on bearer securities.*—Interest on coupon securities is payable upon presentation and surrender of the interest coupons as they mature.<sup>5</sup> Interest

<sup>5</sup> For information concerning any relief possible on account of the loss, theft, destruction, mutilation or defacement of detached interest coupons, see Sec. 306.115.

on Treasury bills and any other bearer securities which may be issued on a discount basis is represented by the difference between the issue price and the maturity value. Interest on other bearer securities is payable with the principal at maturity, in accordance with the terms of the securities. Interest coupons are payable at the Office of the Treasurer of the United States at Washington or at any Federal Reserve Bank or Branch. Banking institutions will usually cash interest coupons without charge as an accommodation to their customers.

## SUBPART F—ASSIGNMENTS OF REGISTERED BONDS—GENERAL

SEC. 306.40. *Execution of assignments.*—The assignment of a registered bond must be executed by the owner or his authorized representative in the presence of an officer authorized to witness the assignment. (See Sec. 306.43.) The assignor must establish his identity to the satisfaction of the witnessing officer. An assignment by mark (X) must be witnessed not only by a witnessing officer but also by at least one other person, who should add an endorsement substantially as follows: "Witness to the above signature by mark," followed by his signature and address. All assignments must be correctly dated and all signatures must be in ink or indelible pencil.

SEC. 306.41. *Assignment forms.*—Unless otherwise directed by the Treasury Department or a Federal Reserve Bank, all assignments must be made on the backs of the bonds. Where all the assignment forms on the back of a bond have been used or spoiled and further assignment is to be made, a similar form, including the witnessing officer's certificate, may be written, typed or stamped in any convenient space on the back of the bond. If there is not sufficient space for an additional form, in any particular case, instructions may be obtained from the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., or any Federal Reserve Bank or Branch.

SEC. 306.42. *Form of assignment.*—Assignments of registered bonds may be made to a specified transferee, to the Secretary of the Treasury for exchange for coupon bonds, to the Secretary of the Treasury for redemption or for exchange for other securities offered at maturity or upon call, or in blank, as provided in Subparts C and D. Assignments to "The Secretary of the Treasury," "The Secretary of the Treasury for transfer," or "The Secretary of the Treasury for exchange" will not be accepted, unless supplemented by specific instructions signed by the assignor. Assignments in blank or to the Secretary of the Treasury for exchange for coupon bonds which do not restrict delivery of the coupon bonds to a designated person destroy the protection of registration and should be avoided unless it is desired to make the registered bonds, in effect, payable to bearer, whereby title thereto may pass by delivery without further assignment.

SEC. 306.43. *Officers authorized to witness assignments.*

(a) *Officers authorized generally.*—The following officers are authorized to witness assignments:

(1) Certain designated officers of the United States Treasury at Washington, D. C.

(2) Judges and clerks of United States courts.

(3) United States attorneys, collectors of customs, and regional commissioners and district directors of internal revenue.

(4) Officers of Federal Reserve Banks and their Branches. (See Sec. 306.1 for locations.)

(5) Officers of Federal Land Banks, Federal Intermediate Credit Banks, Production Credit Corporations, and Banks for Cooperatives, all located in Springfield, (Mass.), Baltimore, Columbia (S. C.), Louisville, New Orleans, St. Louis, St. Paul, Omaha, Wichita, Houston, Berkeley and Spokane, and the Central Bank for Cooperatives, Washington, D. C.

(6) Officers of Federal Home Loan Banks, located in Boston, New York, Pittsburgh, Greensboro (N. C.), Cincinnati, Indianapolis, Chicago, Des Moines, Little Rock, Topeka and San Francisco.

(7) Officers of banks and trust companies chartered by or incorporated under the laws of the United States or those of any state, commonwealth or territory of the United States who have been authorized generally to bind their respective institutions by their acts, and other officers of such corporations who may be specially authorized by their respective institutions to witness such assignments.

If an assignment is witnessed, under the corporate seal of an institution designated in item (7) above, by the chairman of the board, the president, the assistant to the president, any vice-president or assistant vice-president, the cashier or any assistant cashier, the secretary or any assistant secretary, the treasurer or any assistant treasurer, any trust or assistant trust officer, or the manager or any assistant manager of a branch office, it will be presumed that he was acting within the scope of his authority. If any officer so authorized is not one of those designated in the preceding sentence or does not have access to the seal of the corporation, his signature and authority must be certified to the Treasury Department, under corporate seal, by the cashier, secretary or other officer having access to the corporate records and will be recognized until notice is received that his authority has terminated. (Form PD 835-B may be used.) The term "officers" will not be construed as including employees bearing such titles as "designated employee," "teller," "accountant" or "bookkeeper."

(b) *Officers having limited authority.*—The following officers are authorized to witness assignments to the extent set forth in connection with each class of officers:

(1) Postmasters, acting postmasters, assistant postmasters, and inspectors-in-charge at any post office, and general superintendents of finance, assistant gen-

eral superintendents of finance, superintendents of postal finance, and superintendents of money orders at offices designated to receive Postal Savings deposits but only for assignments of Postal savings bonds for any authorized transaction and assignments of securities of any class for redemption for the account of the assignor or for redemption-exchange for securities to be registered in his name.

(2) Notaries public and justices of the peace in the United States, its territories, or the Commonwealth of Puerto Rico for assignments of securities of any class for redemption for the account of the assignor or for redemption-exchange for securities to be registered in his name.

(3) Commissioned officers and warrant officers of the Armed Forces of the United States for assignments of bonds of any class for any authorized transaction, but only with respect to assignments executed by (a) Armed Forces personnel and civilian field employees, and (b) members of the families of such personnel or civilian employees.

(4) Officers of Federal Savings and Loan Associations or other organizations which are members of the Federal Home Loan Bank System who have been authorized generally to bind their respective organizations by their acts, under the corporate seal, for assignments by the organizations or any of their regular customers of bonds of any class for any authorized transaction.

If an assignment is witnessed, under the corporate seal of an organization designated in item (4) above, by the chairman of the board, the president, any vice-president, the secretary or any assistant secretary or the treasurer, it will be presumed he was acting within the scope of his authority.

(c) *Authorized officers in foreign countries.*—The following officers are authorized to witness assignments in foreign countries:

(1) United States diplomatic or consular representatives.

(2) Managers, assistant managers and other officers of foreign branches of banks or trust companies chartered by or incorporated under the laws of the United States.

(3) Notaries public and other officers authorized to administer oaths; the official position and authority of any such officer must be certified by a United States diplomatic or consular representative under the seal of his office.

(d) *Special provisions for witnessing assignments.*—The Commissioner of the Public Debt, the Chief of the Division of Loans and Currency, or any Federal Reserve Bank is authorized to make special provisions for any case in which none of the officers authorized to witness certain assignments is readily accessible.

**SEC. 306.44. Duties of witnessing officers and responsibility for their acts.**—The assignor must appear before the witnessing officer, satisfactorily establish his identity, execute the assignment, and acknowledge it to be his free act and deed. The officer must complete the certification provided, by inserting the date, his signature, and his official title and address, and must impress or imprint the proper seal or stamp, if any. An officer of a corporation must use the corporate seal except as provided in Sec. 306.43 (a) (7). A clerk or judge of court must use the seal of the court. The signature of any post office official, other than a postmaster, must be in the following form "John Doe, Postmaster, by Richard Roe, Superintendent of Money Orders." Any post office official must use the official stamp of his office. Any other witnessing officer must use his official seal or stamp, if any, but, if he has neither, his official position and a specimen of his signature must be certified by some other authorized officer under official seal or stamp or otherwise proved to the satisfaction of the Treasury Department. No officer of the United States, except a clerk of a United States court, is authorized to charge a fee for witnessing an assignment of a United States bond, and banking institutions generally impose no charge for the service. The witnessing officer, and, if he is an officer of a corporation, the corporation, will be held responsible for any loss which the United States may suffer as the result of his fault or negligence.

**SEC. 306.45. Assignments executed before interested persons.**—Neither the assignor, the assignee, nor any other person having an interest in a bond may act as witnessing officer or as witness to an assignment by mark. For example, the officer of a bank who assigns in the bank's name may not witness the assignment. However, a bank officer may witness an assignment to the bank, or an assignment executed by another officer in its behalf.

**SEC. 306.46. Assignments by assignees and other new owners.**—The regulations governing assignments by or in behalf of registered owners, so far as applicable, shall govern any assignments by their assignees or legal successors.

**SEC. 306.47. Alterations and erasures.**—No alteration or erasure should be made in any part of an assignment. If any such alteration or erasure has been made, an explanation satisfactory to the Treasury Department, usually in the form of an affidavit by the person responsible, will be required.

**SEC. 306.48. Voidance of assignments.**—If an assignment to or for the account of another person has not been and is not to be completed by delivery of the security, the assignment may be voided by obtaining a disclaimer of interest from that person. Unless otherwise directed by the Treasury Department or a Federal Reserve Bank the disclaimer must be written, typed, or stamped on the back of the bond, in substantially the following form:

The undersigned as assignee of this bond hereby disclaims any interest therein.

-----  
(Signature)

Personally appeared before me the above-named -----, whose identity is known or proved to me, and signed the above disclaimer of interest, acknowledging the same to be his free act and deed.

-----  
(Signature of witnessing officer)

(SEAL)

-----  
(Official designation)

-----  
(City) (State) (Date)

In the absence of a disclaimer, affidavits should be submitted explaining why a disclaimer could not be obtained, setting forth all other material facts and circumstances relating to the transaction, and stating specifically that the bond was not delivered to the person named as assignee and that he acquired no right, title, or interest in the bond. If an assignment to or for the account of another person was not properly witnessed or is otherwise imperfect, but has been completed by delivery, it cannot be considered void and must not be altered or erased. A new assignment must be executed in favor of the same assignee, unless the assignment can otherwise be perfected as directed by a Federal Reserve Bank or the Treasury Department.

**SEC. 306.49. Discrepancies in names.**

(a) *Inscription and assignment or supporting evidence.*—Where there is a slight discrepancy between the name of the registered owner as inscribed on the bond and as shown in the assignment or supporting evidence, the Department may require that it be explained by an affidavit by another person familiar with the facts, preferably one having no direct financial interest in the bond. (Fiduciaries may use Form PD 385 for this purpose and other persons may use it as a guide in preparing their affidavits.)

(b) *Signature and supporting evidence.*—Where a slight discrepancy exists between the signature of any person acting in a representative or fiduciary capacity as it appears in the assignment and his name as it appears in the certificate of appointment or other evidence of authority, the Department may require that it be explained by an affidavit by another person familiar with the facts, preferably one having no direct financial interest in the security.

(c) *Bonds variously inscribed.*—Where the variations in the name of the registered owner, as inscribed on bonds of the same or different issues, are such that both may properly represent the same person, for example, "J. T. Smith" and "John T. Smith," no proof of identity will be required *if the assignments are signed exactly as the bonds are inscribed and are duly certified by the same witnessing officer.*

SEC. 306.50. *Nontransferable securities.*—The provisions of this subpart, with the exception of those of Secs. 306.42 and 306.48, shall apply to  $2\frac{3}{4}$  percent Treasury Bonds, Investment Series B-1975-80, and Treasury Savings Notes, provided, that Sec. 306.46 shall apply with respect to assignments of the bonds or requests for payment or reissue of the notes only in the case of legal successors. In applying these provisions to Treasury Savings Notes appropriate substitutions in terms should be made, as follows: “Note(s)” or “Treasury Savings Note(s)” for “bond(s)” or “registered bond(s)”; “request(s) for payment or reissue” for “assignment(s)”; “requestor(s)” for “assignor(s)”; “certify” for “witness”; and “certifying officer” for “witnessing officer.”

### SUBPART G—ASSIGNMENTS BY OR IN BEHALF OF INDIVIDUALS

SEC. 306.55. *Signature, minor errors, and change of name.*—The registered owner's signature to an assignment should be in the form in which his or her name has been inscribed on the face of the bond, unless the name as so inscribed was incorrect or has been changed since the bond was issued. In case of a minor error in inscription (not sufficient to raise any doubt in the mind of the witnessing officer in regard to the identity of the owner), the signature to the assignment should be in the following form, for example, “John Smythe, erroneously inscribed John Smith.” In case of a more serious error in inscription, the procedure prescribed in Sec. 306.13 should be followed. In case of a change in name, the signature to the assignment should show both names and the manner in which the change was made, for example, “Mrs. Mary Brown, before marriage Miss Mary Jones,” or “John Young, formerly John Jung (changed by court order).” In all cases involving change of name satisfactory proof of the change will be required, except that no proof of change of name by marriage will be required if an authorized officer duly witnesses the assignment, thereby certifying that he is satisfied the assignor is the registered owner.

SEC. 306.56. *Assignment of bonds registered in the names of two or more persons.*

(a) *For transfer or exchange.*<sup>6</sup>—The transfer or exchange of bonds registered in the names of two or more persons may be made during the lives of all the coowners only upon assignments by all of them or in their behalf by authorized representatives. Upon proof of the death of one of the coowners, the Treasury Department will

accept an assignment by or in behalf of the survivor or survivors, unless the registration includes words which preclude the right of survivorship, or the words “or either of them,” in which case, in addition to an assignment by or in behalf of the survivor or survivors, an assignment in behalf of the decedent's estate will be required.

(b) *For redemption or redemption-exchange (registration in alternative).*—Bonds registered in the names of two or more persons *in the alternative*, as for example, “John Smith or Mrs. Mary Smith,” or “John Smith or Mrs. Mary Smith or the survivor,” may be assigned by one coowner, at maturity or upon call, for redemption or redemption-exchange (as defined in Sec. 306.2 (7)), for his own account or otherwise, whether or not the other coowner or coowners are deceased and, if so, whether or not the Treasury has received notice of their deaths. This provision also applies to bonds registered in the form “John Smith and Mrs. Mary Smith or either of them.”

(c) *For redemption or redemption-exchange (joint registration).*—Bonds registered in the names of two or more persons *jointly* (as distinguished from bonds registered in their names *in the alternative*), as, for example, “John Smith and Mrs. Mary Smith,” “John Smith and Mrs. Mary Smith or the survivor,” or “John Smith and Mrs. Mary Smith as tenants in common,” may be assigned by one coowner during the lives of all only (1) for redemption at maturity or upon call (*and then only for redemption for the account of all coowners*) or (2) for exchange for new bonds to be registered in their names in the same registration if new registered bonds are offered in exchange for the maturing or called bonds. Upon proof of the death of one coowner the survivor or survivors may assign bonds so registered for redemption or for redemption-exchange for any account, except that, if the words “as tenants in common” or other words having the same effect appear in the registration, assignment in behalf of the decedent's estate will also be required.

SEC. 306.57. *Minors.*

(a) *Assignments by natural guardians of bonds registered in the names of minors.*—Bonds erroneously registered after the effective date of these regulations in the name of a minor (whether alone or followed by the name of a natural guardian) for whose estate no legal guardian or similar representative has been appointed by a proper court or is otherwise legally qualified will be reissued in the name of a natural guardian of the minor (see Sec. 306.11 (2)), upon the request of the purchaser or other person responsible for the error. If the requirements to support such reissue are met, but other disposition is desired, actual reissue will be unnecessary and the bonds may be assigned by the natural guardian in accordance with the provisions of subsection (b) of this section. Bonds so registered in the name of a minor

<sup>6</sup>It should be kept in mind that, unlike United States Savings Bonds, which are virtually redeemable on demand, transferable securities are redeemable only at maturity or upon prior call by the Secretary for redemption. Before maturity or call for redemption a transferable bond may be “cashed” by sale, either through a bank or broker or direct to a purchaser. In either case the bond must be assigned in accordance with these regulations.

before the effective date of these regulations may be assigned by a natural guardian of the minor only for the purposes and under the conditions described below:

(1) For exchange or redemption, if the total face amount of the Treasury bonds so registered does not exceed \$1,000, and if satisfactory proof is furnished that the proceeds of the bonds are necessary and will be used for the support or education of the minor.

(2) For redemption, if the total face amount of called or matured Treasury bonds so registered does not exceed \$500 and the minor registered owner is not of sufficient age and competency to sign his name to the assignments and understand the nature of the transaction.

(3) For redemption for reinvestment in other transferable bonds to be registered in the minor's name, if the total face amount of bonds so registered exceeds \$500 or if such amount does not exceed \$500 but the minor is not of sufficient age and competency to sign his name and understand the nature of the transaction.

For cases arising under (1), (2) or (3) above, Form PD 2481 should be used.

(b) *Assignments by natural guardians of bonds registered in their names.*—Bonds registered after the effective date of these regulations in the name of a natural guardian of a minor may be assigned by the designated natural guardian for any authorized transaction except one for the apparent benefit of the natural guardian. The signature to the assignment should be written as the bonds are inscribed, for example, "John Jones as natural guardian of Henry Jones, a minor." If the natural guardian in whose name the bonds are registered is deceased or is no longer qualified to act as natural guardian, the bonds may be assigned by the person then acting as natural guardian. The assignment by the new natural guardian must be supported by proof of the death or disqualification of the former natural guardian and by satisfactory proof of his own status as natural guardian. Proof of such status may be established through the use of Form PD 2481. No assignment by a natural guardian will be accepted after receipt of notice of the minor's attainment of majority or removal of his disability of minority, the disqualification of the natural guardian to act as such, the appointment of a legal guardian by a proper court, or the death of the minor.

(c) *Assignments by minors.*—Bonds registered, before the effective date of these regulations, in the name of a minor for whose estate no guardian or similar representative has been appointed by a proper court or is otherwise legally qualified, may be assigned by the minor at maturity or call for redemption or redemption-exchange for new bonds to be registered in his name, if the total face amount of matured or called bonds so registered does not exceed \$500, and if the minor, in the opinion of the witnessing officer, is of sufficient age and

competency to sign his name to the assignments and understand the nature of the transaction. Payment will be made by check drawn to the order of the minor.

(d) *Assignments by legal guardians.*—Bonds registered in the name of a minor (whether alone or with a natural guardian) for whose estate a legal guardian or similar representative has been appointed by a proper court or is otherwise legally qualified may be assigned by the representative for any authorized transaction. The assignment must be supported by a court certificate or a certified copy of the letters of appointment issued by the court making the appointment, under its seal, except that an assignment by the representative for his own apparent benefit must be supported by the evidence required in Sec. 306.80. The certificate or certification must be dated not more than one year before the date of the assignment and must contain a statement that the appointment is in full force unless (1) it shows that the appointment was made not more than one year before the date of the assignment or (2) the representative or a corepresentative is a corporation. All corepresentatives must join in any assignment, except as provided in Sec. 306.79. An assignment by the representative will not be accepted after receipt of notice of the termination of the guardianship, except for transfer to the former ward.

Sec. 306.58. *Incompetents.*

(a) *Definition.*—For the purposes of this section an incompetent is defined as a person under any legal disability except minority.

(b) *Assignments by legal guardians.*—Bonds registered in the name of an incompetent for whose estate a legal guardian or similar representative has been appointed by a proper court or is otherwise legally qualified may be assigned by the representative for any authorized transaction. The assignment must be supported by a court certificate or a certified copy of the letters of appointment issued by the court making the appointment, under its seal, except that an assignment by the representative for his own apparent benefit must be supported by the evidence required in Sec. 306.80. The certificate or certification must be dated not more than one year before the date of the assignment and must contain a statement that the appointment is in full force, unless (1) it shows that the appointment was made not more than one year before the date of the assignment or (2) the representative or a corepresentative is a corporation. All corepresentatives must join in any assignment, except as provided in Sec. 306.79. An assignment by the representative will not be accepted after receipt of notice of termination of the guardianship, except for transfer to the former ward.

(c) *Assignments by voluntary guardians.*—Bonds registered in the name of an incompetent for whose estate no legal guardian or similar representative has been appointed by a proper court or is otherwise legally qualified may be assigned by the relative responsible for his

care and support or some other proper person as voluntary guardian:

(1) For exchange or redemption if the total face amount of United States bonds so registered does not exceed \$1,000 and the proceeds of the bonds are necessary and will be used for the care or support of the incompetent or for the support of his legal dependents; or

(2) For redemption if the bonds are matured or have been called and the proceeds are to be reinvested in other securities to be registered in the incompetent's name followed by that of his voluntary guardian in the form "A, an incompetent under voluntary guardianship of B" and if after completion of the transaction, the total face amount of United States bonds registered in the name of the incompetent on which interest is paid currently would not exceed \$5,000.

An application on Form PD 1461 by the person seeking authority to act as voluntary guardian will be required.

SEC. 306.59. *Attorneys in fact.*—Assignments by attorneys in fact for individual owners or coowners will be recognized if supported by adequate powers of attorney. The use of Form PD 1001 or 1002 is suggested but any form sufficient in substance may be used. Every power must be executed in the presence of an officer authorized to witness assignments of the bonds for the desired transactions. A power may be either general or specific, depending on whether the owner desires to authorize execution of assignments of all his bonds assignable under these regulations or to limit the authority to bonds of designated issues or to certain designated bonds. The original power must be filed with the Treasury Department, except that a photocopy certified by an officer of a Federal Reserve Bank or Branch, or by an officer of a bank or trust company under its corporate seal, will be accepted, if the seal on the original power is legible on the copy or is copied by the certifying officer. An assignment by a substituted attorney in fact must be supported by an appropriate power of substitution, which must be supported in turn by an appropriate authorizing power of attorney. The use of Form PD 1005, 1006, 1007 or 1008 (the particular form depending on whether the power is to be general or specific and whether an individual or a corporation is to be named as attorney in fact) is suggested but any form sufficient in substance may be used. An assignment by an attorney in fact or a substituted attorney in fact for the apparent benefit of either will be accepted only if expressly authorized in both the power of attorney and power of substitution. A power of attorney or of substitution will be recognized until, but not after (unless the power is coupled with an interest) the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., receives proof of revocation or proof of the grantor's death or incompetency, except that a pending transaction will be temporarily suspended on receipt of a request from the

grantor of the power, by wire or otherwise, and except further that the Secretary of the Treasury may require evidence in any case that a power is still in full force at the time the Department is requested to act under it. If there are two or more joint attorneys in fact or substitutes all must unite in the assignment unless the power authorizes less than all to act or the bond has matured or been called, in which case less than all may assign for redemption for the account of the bond owner or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in the name of the owner.

SEC. 306.60. *Nontransferable securities.*—The provisions of this subpart, except those of Secs. 306.56 (a), 306.57 (a) (1) and 306.58 (c) relating to transfers, shall apply to 2¾ percent Treasury Bonds, Investment Series B-1975-80, provided, that the term "exchange" as used in Secs. 306.56 (a), 306.57 (a) (1) and 306.58 (c) (1) shall be deemed to refer to the exchange of these bonds for the current series of 1½ percent 5-year Treasury notes. The provisions of this subpart with respect to assignments of bonds, except those of Sec. 306.56 and those of Secs. 306.57 (a) (1) and 306.58 (c) (1) relating to transfers or exchanges shall apply to requests for payment or reissue of Treasury Savings Notes, provided, that the term "redemption" as used therein shall refer to redemption at or before maturity and provided further that the term "redemption" as used in Secs. 306.57 (a) (2) and 306.58 (c) (2) shall refer to redemption at maturity.

#### SUBPART H—ASSIGNMENTS IN BEHALF OF ESTATES OF DECEASED REGISTERED OWNERS

SEC. 306.65. *In course of administration.*—A bond belonging to the estate of a decedent which is being administered in a proper court by an executor or general administrator will be accepted for any authorized transaction upon assignment by the qualified representative of the estate. (For temporary or special administrators see Sec. 306.66.) Unless the bond is registered in the name and title of the representative, the assignment must be supported by a court certificate of his appointment or a certified copy of the letters of appointment, issued by the court making the appointment, under its seal, except that an assignment by a representative for his own apparent benefit must be supported by the evidence required in Sec. 306.80. The certificate or certification, if required, must be dated not more than six months before the date of the assignment and must contain a statement that the appointment is in full force, unless (1) it shows that the appointment was made not more than one year before the date of the assignment or (2) the representative or a corepresentative is a corporation. The proper form of signature to an assign-

ment is, for example, "John A. Jones, administrator of the estate (or, executor of the will) of Henry W. Jones, deceased." All corepresentatives must unite in any assignment except as provided in Sec. 306.79. A bond registered in the name of an executor or administrator may be reissued in the name of his successor, upon the request of the designated representative or his successor, supported by proof of successorship, without assignment.

**SEC. 306.66. *Temporary and special administrators.***—The Treasury Department will recognize assignments by temporary or special administrators for any authorized transaction within the scope of their authority under state law or the orders of the court by which they were appointed. If the amount of bonds presented for any transaction does not exceed \$250, the Department will presume that it is within the proper scope, and the assignments need be supported only by evidence of the same nature as that required in support of assignments by a general administrator, as set forth in Sec. 306.65. If the amount of bonds presented exceeds \$250:

(1) assignments by a temporary administrator for redemption for his account in his representative capacity, or for redemption and application of the proceeds in payment for new securities to be registered in his name in his representative capacity, must be supported by a certificate of court under its seal showing that the appointment was in full force within 30 days preceding the date of receipt of the bonds or the certificate, whichever is later, except that, if a corporation is the temporary administrator or co-administrator, any acceptable court evidence of appointment may be supplemented by a statement by the corporation on its letterhead showing that the appointment was in force within the specified period;

(2) assignments by a temporary administrator for transfer or exchange (including assignments for redemption for the account of the temporary administrator individually or that of any other person in any capacity) must be supported by a duly certified copy of a special order of court authorizing such action;

(3) assignments by a special administrator must be supported by a duly certified copy of a special order of court authorizing such action, unless it appears from his letters of appointment or the statutes under which the appointment was made that such action comes within the scope of his authority, in which case it must appear from evidence under the seal of the court, or from such evidence and a supplemental statement by a corporate administrator on its letterhead, that the appointment was in full force within six months preceding the date of receipt of the securities or the evidence, whichever is later.

**SEC. 306.67. *After settlement through court proceedings.***—Bonds belonging to the estate of a decedent which has been settled in a proper court will be accepted for any authorized transaction upon assignments by the per-

son or persons entitled, as determined by the court. If one person is the sole legatee, or if specific bonds are distributed to any one person, the bonds may be reissued in the name of such person upon instructions from him without assignment. The assignments or instructions for reissue should be supported by a copy, certified under court seal, of the decree of distribution, the representative's final account as approved by the court, or similar court records.

**SEC. 306.68. *Without administration.***—When it appears that no legal representative of the estate to which bonds belong has been or is to be appointed, the bonds may be disposed of in any authorized manner pursuant to an agreement and assignment by all persons entitled to share in the bonds under the laws of the State of the decedent's domicile. (Use form PD 1646.) All debts of the decedent and his estate must be paid or provided for and the interests of any minors or incompetents in the estate must be adequately protected to the satisfaction of the Secretary of the Treasury.

**SEC. 306.69. *Special provisions applicable to small amounts of securities, interest checks or redemption checks.***—The right to, or the authority to dispose of, a small amount of public debt securities and checks issued in payment thereof or in payment of interest thereon, belonging to the estate of a decedent, may be established through the use of certain short forms, according to the aggregate amount of securities and checks (excluding checks representing interest on the securities) involved in the case, as indicated by the following table:

Amount (dollars)	Circumstances	Form	To be executed by—
25	Estate being administered.	PD 2488	Executor or administrator.
25	No administration...	PD 2216	Heir or legatee who paid burial expenses.
100	Estate being administered.	PD 2488	Executor or administrator.
250	Estate settled.....	PD 2458A	Former executor or administrator, attorney or other qualified person.

**SEC. 306.70. *Nontransferable securities.***—The provisions of this subpart except those of Sec. 306.66 (2) relating to transfer shall apply to  $2\frac{3}{4}$  percent Treasury Bonds, Investment Series B-1975-80, provided, that the term "exchange" shall be deemed to refer to the exchange of these bonds for the current series of  $1\frac{1}{2}$  percent 5-year Treasury notes. The provisions of this subpart with respect to assignments of bonds shall apply to requests for payment or reissue of Treasury Savings Notes, provided, that the term "redemption", as used in Sec. 306.66 (1), shall be deemed to refer to redemption of Treasury Savings Notes at maturity, and that the requirements of



Sec. 306.66 (2) shall apply to requests for redemption of Treasury Savings Notes before maturity.

### SUBPART I—ASSIGNMENTS BY OR IN BEHALF OF FIDUCIARIES AND LEGAL REPRESENTATIVES

**SEC. 306.75. Individual trustees.**—Bonds registered in the names and titles of individual trustees, as, for example, "Mrs. Mary Smith trustee under the will of John Smith, deceased," or "Henry J. Williams, Edward C. Carter and Charles Jones, trustees under agreement dated October 12, 1954, with Frank H. Woods," will be accepted for any authorized transaction upon assignment by the designated trustees without further proof of their appointment and qualification, except that an assignment by a trustee for his own apparent benefit will be accepted only as provided in Sec. 306.80. If one of the designated trustees has died or resigned, or is no longer qualified to act as trustee, and a successor has been appointed, the bonds must be assigned by the surviving or remaining trustee or trustees and the successor trustee, and proof of the death, resignation, removal or disqualification of the former trustee and of the appointment and qualification of the successor trustee must be furnished. If the appointment of a successor is not required under the terms of the trust instrument or otherwise and is not contemplated, assignments by the surviving or remaining trustee or trustees must be supported by (1) proof of the death, resignation, removal or disqualification of the former trustee and (2) satisfactory proof that the surviving or remaining trustee or trustees are fully qualified to administer the trust, which may be in the form of a certificate by them showing that the appointment of a successor has not been applied for, is not contemplated and is not necessary under the terms of the trust instrument or otherwise. Proof of successorship, but no assignment, will be required in support of a request for reissue to substitute the name of a succeeding trustee for that of a former trustee. Assignments of bonds registered in the titles, without the names of the trustees, as, for example, "Trustees of the George E. White Memorial Scholarship Fund under deed of trust dated November 11, 1940, executed by John W. White," must be supported by satisfactory proof that the assignors are the qualified and acting trustees of the designated trust estate, unless the trustees are empowered to act as a unit in which case the provisions of Sec. 306.76 shall apply. Form PD 2446 may be used to furnish proof of incumbency of trustees. Assignments by trustees of bonds not registered or assigned in such manner as to show that they belong to the trust estate for which the assignors are acting must be supported by satisfactory evidence that the trust estate is entitled to the bonds under these regulations, in addition to any other required evidence. All co-trustees must unite in any assignment except as provided in Sec. 306.79.

**SEC. 306.76. Boards of trustees and trustees acting as a unit.**—If the trustees of any organization or trust estate, public or private, constitute a board, committee or other body which is empowered to act as a unit, bonds registered in its name may be assigned for any authorized transaction by any member, officer or other person authorized to act in its behalf. Except as otherwise provided in this section, the assignments must be supported by a copy of a resolution of the board or other body, certified under its seal, or, if none, sworn to by an officer having access to its records. (Form PD 2495 may be used.) If the resolution is authenticated by the officer who assigns the bonds, another officer must join in the authentication. If the assigning officer is designated in the resolution by title only, his incumbency must be certified by another officer of the board or other body under its seal, or, if none, sworn to by him. (Form PD 2446 may be used.) No evidence will be required in support of an assignment by an officer for redemption for the account of the designated board, committee or other body, or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in the same name. If the trustees of any organization or trust estate are empowered to act as a unit, although not designated as a board, committee or other body, bonds registered in their names as such trustees, or in their title as such trustees, without their names, may be assigned by any trustee authorized by the group to act in its behalf. The assignments must be supported by a sworn copy of a resolution passed by the group in accordance with the terms of the trust instrument, and proof of the authority of the trustees to act as a unit may be required, except that an assignment by one of the trustees named on the bonds or by one for whom appropriate proof of incumbency is furnished, for redemption for the account of the trustees (by check drawn substantially as the bonds are inscribed) or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in the same name, need not be supported by any other evidence. As an alternative, in any case described in this section, assignments by all the trustees, supported by proof of their incumbency, if not named on the bonds, will be accepted.

**SEC. 306.77. Individual guardians.**—Bonds registered in the names and titles of individual legal guardians or similar representatives of the estates of minors or incompetents, may be assigned by the designated representatives for any authorized transaction without further proof of their appointment and qualification, except that an assignment by any such representative for his own apparent benefit will be accepted only as provided in Sec. 306.80. Assignments of bonds registered (1) in the titles, without the names, of the representatives, (2) in the names and titles of representatives who are no longer qualified to act or (3) in the names of minors or incompetents must be supported by a certificate of appoint-

ment for the representatives, or a certified copy of their letters of appointment executed or certified by the clerk of the court making the appointment, under its seal. The certificate or certification must be dated not more than one year before the date of the assignment, and must show that the appointment is in full force, unless (1) the certificate or certification shows that the appointment was made not more than one year before the date of the assignment or (2) the representative or a corepresentative is a corporation. A bond registered in the name of a guardian or similar representative may be reissued in the name of his successor, upon the request of the designated representative or his successor, supported by proof of successorship, without assignment. All joint guardians must unite in any assignment, except as provided in Sec. 306.79.

**SEC. 306.78. *Corporate representatives and fiduciaries.***—An assignment in behalf of a corporation acting alone or with individuals as executor, general administrator, guardian or similar representative, trustee or attorney in fact, must be supported by the evidence, if any, required in support of assignments by corresponding individual representatives or fiduciaries, except that the evidence of appointment as executor, administrator or guardian, if required, need not contain a statement that the appointment is in full force nor be dated within any particular period of time preceding the date of the assignment. Satisfactory evidence of the authority of the officer who executes the assignment in behalf of the corporation will be required, unless the assignment is (1) for redemption for the account of, or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in the name of, the executors, administrators, guardians, trustees or grantors, as the case may be or (2) for redemption at par before maturity, in accordance with Sec. 306.28. The evidence of the officer's authority, if required, must be in substantially the same form as that required in support of an assignment of a bond registered in the name of the corporation in its own right, as set forth in Sec. 306.85, except that the evidence must refer to bonds held in a representative or fiduciary capacity and that reference should be made to Forms PD 1011 and PD 1012 rather than Forms PD 1009 and PD 1010, respectively.

**SEC. 306.79. *Joint representatives or fiduciaries.***—If there are two or more joint executors, administrators, guardians or similar representatives, or trustees of an estate, all must unite in the assignment of any bonds belonging to the estate, unless

(1) an express statute, a decree of court, or the instrument under which they are acting provides otherwise or

(2) the bonds have matured or been called, in which case one or more of the representatives or fiduciaries may assign for redemption for the account of, or for

redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in the names of, all acting executors, administrators, guardians or similar representatives or trustees. For assignments by joint attorneys in fact, see Sec. 306.59.

**SEC. 306.80. *Assignments by representatives or fiduciaries for their own benefit.***—Unless there are two or more representatives or fiduciaries acting and all unite in the assignment, an assignment by an executor, administrator, guardian or similar representative, trustee, or other representative or fiduciary for his own apparent benefit, including an assignment for transfer to himself individually or an assignment for redemption for his individual account, must be supported by one of the following documents, in addition to any other evidence required under these regulations:

(1) A duly certified copy of an order of a proper court, clearly authorizing the assignment.

(2) In the case of a fiduciary who is not acting under the supervision of a court, a duly certified copy of the governing instrument and any other evidence which may be necessary to show that he is entitled to the bond in his own right.

(3) The consent of all persons having any interest in the bonds, provided they can be identified and are not under any legal disability.

(4) In the case of an executor, administrator or trustee, a duly certified statement on Form PD 2480 or in substantially the same form, satisfactorily establishing that he is entitled to the bond or the proceeds thereof in his own right.

**SEC. 306.81. *Attorneys in fact for fiduciaries.***—Assignments by attorneys in fact for legal representatives or fiduciaries must be supported by adequate powers of attorney in addition to any evidence necessary to support assignments by the representatives or fiduciaries. Form PD 1002 or PD 1004 may be used, depending on whether the representative or fiduciary is an individual or a corporation. Powers in other forms may be accepted, but all powers must be executed in the presence of an officer authorized to witness assignments of the bonds. Powers must specifically designate the bonds to be assigned. The original must be filed with the Department, except that a photocopy certified by an officer of a Federal Reserve Bank or Branch, or by an officer of a bank or trust company under the corporate seal, will be accepted, if the seal on the original power is legible on the copy or is copied by the certifying officer. An assignment by a substituted attorney in fact must be supported by an appropriate power of substitution, which must be supported in turn by an appropriate power of attorney, and by proof of the representative's or fiduciary's authority, if necessary. Form PD 1006 or PD 1008, whichever is appropriate, may be used for the appointment of a substitute. An assignment by an attorney in fact or a substituted attorney in fact for his

own apparent benefit will be accepted only if expressly authorized in the power of attorney or power of substitution, respectively. An assignment by a substituted attorney in fact for the apparent benefit of the attorney in fact will be accepted only if expressly authorized in both the power of attorney and the power of substitution. A power of attorney or a power of substitution will be recognized until, but not after, the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., receives proof of revocation, unless the power is coupled with an interest, except that a pending transaction will be temporarily suspended on receipt of a request from the grantor of the power, by wire or otherwise, and except further that the Secretary of the Treasury may require evidence in any case that a power is still in full force at the time the Department is requested to act under it.

SEC. 306.82. *Nontransferable securities.*—The provisions of this subpart with respect to assignments are applicable to assignments of  $2\frac{3}{4}$  percent Treasury Bonds, Investment Series B-1975-80, and to requests for payment or reissue of Treasury Savings Notes, except those of Sec. 306.78 requiring evidence of authority of the assigning officers to support assignment for an authorized transfer, and as applied to Treasury Savings Notes relate to requests for redemption before maturity as well as at maturity.

## SUBPART J—ASSIGNMENTS IN BEHALF OF PUBLIC OR PRIVATE ORGANIZATIONS

SEC. 306.85. *Private corporations and unincorporated associations.*—Bonds registered in the name of a private corporation or unincorporated association in its own right (not a partnership or a business owned by one individual, whether or not operated under a trade name, or an activity conducted by a trustee or trustees) may be assigned in its behalf, for any authorized transaction by any duly authorized officer or officers. Satisfactory evidence that the assigning officers were duly authorized to assign and sell or otherwise dispose of the bonds will be accepted in support of an assignment for any purpose, except that if the assignment is for their own apparent benefit the evidence must expressly authorize such disposition. No evidence will be required in support of assignments for redemption for the account of the corporation or association or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in the name of the corporation or association. The evidence, if required, should ordinarily be in the form of a resolution of the governing body (usually, for a corporation, the board of directors, or for an unincorporated association, the members or a board of trustees). A resolution adopted by an executive committee or other body which is not obviously the governing body must be supplemented by a

duly certified copy of the charter, constitution or bylaws, or an extract therefrom, showing the authority of the body to act for the organization. In any case the resolution may relate to any or all registered bonds owned by the organization, to bonds of any particular loan or issue, or to a particular bond or bonds. A copy of a resolution conferring general authority may be furnished on Form PD 1009, and one conferring limited authority may be furnished on Form PD 1010, or may be in any substantially similar form. In any case the copy must be certified or sworn to in accordance with the instruction on the applicable form. If the officer or officers derive their authority direct from the charter, constitution or bylaws, a copy or a pertinent extract therefrom, certified under the seal of the organization, or, if it has no seal, sworn to by another officer who has access to its records, will be required in lieu of a resolution. If the resolution or other supporting document shows only the title of the authorized officer, without his name, it must be supplemented by a certificate of incumbency certified under the seal of the organization, or, if it has no seal, sworn to by another officer who has access to its records. (Form PD 1014 may be used.) The signature to the assignment must be in the following form, for example:

“The Model Manufacturing Co., a corporation (or, an unincorporated association), by (signed) John W. Henderson, *Treasurer.*”

The officer in charge of the records and seal of a corporation may properly add the word “attest,” followed by his signature and title and an impression of the seal, to the left of the corporate signature, when the organization’s requirements so provide, but such endorsement is not required, and will not be accepted in lieu of an authorized witnessing officer’s certificate.

SEC. 306.86. *Merger, consolidation, conversion, reincorporation and change of name of private organizations.*—If a private corporation is succeeded by another corporation by merger, consolidation, conversion or reincorporation (which do not include a general assignment of assets without legal successorship), its bonds may be assigned for any authorized transaction in behalf of the successor by an authorized officer in accordance with the provisions of the preceding section, or may be reissued in the name of the successor without assignment upon such successor’s request and submission of satisfactory evidence of successorship. The evidence must be in the form of a certificate, under seal, by the public official, board or commission authorized by law to approve the action, or if none, by direct proof of compliance with statutory or other legal requirements, usually in the form of certified copies of resolutions by governing bodies and by stockholders or members, and proof of filing as required by law. The certification of a resolution must show that due notice of the meeting was given, that a quorum was present, and that the resolution was adopted by the necessary majority, and must be signed, under the

seal of the corporation, by an officer having access to its records, or, if it has no seal, must be sworn to by such officer. The signature to any necessary assignment must be in the following form, for example:

“The Twin Cities Printing Corporation, successor to the St. Paul Printing Company, a corporation, by (signed) Carl Johansen, *President*.”

Similar evidence of the mere change of name of a corporation will be required to support a request in its behalf for reissue in its new name without assignment or an assignment in its behalf for any authorized transaction. The signature to an assignment after change of name should be in the following form, for example:

“The National Bank and Trust Company of -----, formerly the National Bank of -----, by (signed) Theodore R. Stevenson, *Vice President*.”

If an unincorporated association changes its name, or is succeeded by another organization, similar evidence, so far as applicable, will be required in support of a request for reissue in the new name or in the name of the successor, an assignment in behalf of the association under its new name, or an assignment by the successor. If the association (such as a local lodge or chapter) exists by reason of a charter issued by another organization, a certificate by the officer in charge of the records of the latter organization, under its seal, to the effect that the subordinate association has reorganized or changed its name in accordance with the constitution and bylaws of the parent organization, will be accepted in lieu of direct evidence of such action.

SEC. 306.87. *Attorney in fact for a corporation or unincorporated association*.—Bonds registered in the name of a corporation or an unincorporated association may be assigned in its behalf for any authorized transaction by a duly authorized person as attorney in fact. Such assignments must be supported by one of the following documents certified under the seal of the organization, or, if it has no seal, sworn to by another officer who has access to its records:

(1) A copy of a resolution of its governing body authorizing an officer of the organization to appoint an attorney in fact to assign and sell or otherwise dispose of the bonds, as provided in Sec. 306.85, and of a general or specific power of attorney by the officer so authorized, executed in the presence of an officer authorized to witness assignments of the bonds for the desired transactions, for which purpose Form PD 1003 or PD 1004 may be used;

(2) A copy of a resolution of its governing body directly appointing an attorney in fact for this purpose; or

(3) A copy of the charter, constitution or bylaws, or a pertinent extract therefrom, showing the authority of an officer to appoint an attorney in fact, and of

a general or specific power of attorney by the officer so authorized, executed as provided in (1) above.

In any case the power may not be broader than the authorizing resolution or other authority and a general power in behalf of a public corporation will be recognized only if authorized by statute. If the power or resolution authorizes the attorney in fact to appoint a substitute attorney in fact, an assignment by the substitute must be further supported by a power of substitution by the attorney in fact, executed in the manner prescribed for the execution of the power of attorney. (Form PD 1005, PD 1006, PD 1007 or PD 1008, whichever is appropriate, may be used for this purpose.) If the resolution or other supporting document shows only the title of the authorized officer, without his name, it must be supplemented by a certificate of incumbency certified under the seal of the organization, or, if it has no seal, sworn to by another officer who has access to its records. (Form PD 1014 may be used.)

SEC. 306.88. *Political entities and public corporations*.—Bonds registered in the name of a state, county, or other political entity, or in the name of an incorporated city, town, village, school district or other public corporation or body, may be assigned for any authorized transaction by a duly authorized officer or officers in accordance with the provisions of Sec. 306.85 so far as applicable, except as otherwise provided herein. If evidence of authority derived from a municipal ordinance, charter of a public corporation, or special act of a state legislature is required, a copy of the pertinent provision must be certified to the Department by the proper public officer under official seal. If evidence of authority derived from a state constitution or from a public law is required, the pertinent provision must be cited. If a certificate of incumbency is required, it must be executed by the proper public officer under official seal.

SEC. 306.89. *Public officers*.—Bonds registered in the title of a public officer who is the official custodian of public funds, for example, “Treasurer, State of North Carolina,” may be assigned by the designated officer. No evidence will be required in support of an assignment for redemption for the officer’s official account or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in his official title or in the name of the political entity or public corporation for which he is acting. Any other assignment must be supported by satisfactory evidence that the assignor is the incumbent of the designated office, except that an assignment for his individual benefit will not be recognized. The evidence must be in the form of a certificate of incumbency executed by the proper public officer under official seal.

SEC. 306.90. *Partnerships*.—An assignment of a bond registered in the name of a partnership must be executed by a general partner in the form, for example:

"Smith and Jones, a partnership  
by (signed) John Jones, a partner."

An assignment for the benefit of one of the partners individually must be executed by another partner. Upon the death of a partner and the resulting dissolution of the partnership, assignment by all the surviving partners and by the persons entitled to assign in behalf of the decedent's estate will be required, unless the laws of the particular jurisdiction authorize the surviving partners to assign without regard to the decedent's estate. Upon voluntary dissolution of a partnership, an assignment by a liquidating partner, as such, must be supported by a duly executed agreement among the partners appointing the liquidating partner.

SEC. 306.91. *Nontransferable securities.*—The provisions of this subpart shall apply to Treasury Bonds, Investment Series B-1975-80, and to requests for payment or reissue of Treasury Savings Notes, except those of Sec. 306.85 requiring evidence of authority of the assigning officers to support assignment for an authorized transfer, and as applied to Treasury Savings Notes, relate to requests for payment before maturity as well as at maturity.

## SUBPART K—CONFLICTING CLAIMS

SEC. 306.95. *Responsibility of Treasury Department.*

(a) *General.*—The Treasury Department assumes no responsibility for the protection of the interest of any person in securities not in his possession, and neither the Department nor any of its agencies will accept notice of any claim or of pending judicial proceedings by any such person, except as specifically provided in these regulations. (See Subpart L for information in regard to the conditions under which caveats may be entered against transactions in securities of certain classes and relief granted on account of the loss, theft or destruction thereof.) These limitations are based on the fact that the ready marketability of the securities depends in part upon the promptness and freedom with which transactions therein may be effected.

(b) *Bearer securities.*—Bearer securities comprise more than 90 percent of the outstanding marketable Government obligations, and transactions therein are concentrated in the twelve Federal Reserve Banks and their Branches, and the Treasury Department. The volume of these transactions is so great that the necessity of consulting lists of bearer securities against which caveats (stoppages) may be requested as the result of loss, theft or destruction before maturity would cause extensive delays in completing such transactions. Moreover, under generally recognized principles of law, good title to unmatured bearer securities will pass by delivery to a purchaser in good faith and for value. Therefore, the entry of caveats against transactions in these securities, upon receipt of reports of loss, theft or destruction, would

be wholly without practical benefit.<sup>7</sup> As purchasers of bearer securities which have been lost or stolen *after face maturity* would not acquire good title thereto as against the true owners, reports of losses or thefts occurring after face maturity will be recorded and efforts will be made to detect any such securities upon receipt by the Department or a Federal Reserve Bank, with a view to giving the owner an opportunity to establish his right to them. However, such efforts may be unsuccessful, on account of circumstances over which the Department has no control, in which case the Department's responsibility will be limited to notifying the person who reported the loss or theft of the source from which the securities were received, in so far as the information is available.

(c) *Registered securities.*—Both assignment and delivery are necessary to pass good title to marketable securities in registered form. Therefore, the Department will afford registered owners appropriate protection against loss through forged assignments, and so far as possible, against loss through assignments affected by fraud. (See Secs. 306.98 and 306.99.) Very little protection can be given owners who lose possession of their bonds after assigning them in blank or for exchange for coupon bonds without restrictions on the delivery of the coupon bonds, as bonds so assigned are, in effect, payable to bearer.

(d) *Interest coupons.*—Interest coupons are payable to bearer; therefore, the Department can assume no responsibility whatever with respect to detached coupons which have been lost, stolen or destroyed, and will not enter any caveats (stoppages) against payment thereof or undertake to determine whether any particular coupons have been paid.

SEC. 306.96. *Circumstances under which the ownership of securities payable to bearer may be questioned.*—A bearer security or a registered security so assigned as to become, in effect, payable to bearer which has been reported lost or stolen may be detected by the Treasury Department upon presentation for payment or other transaction only as the result of (1) the entry of a caveat, in the case of a security reported lost or stolen after

<sup>7</sup> On April 27, 1867, the Secretary of the Treasury issued the following statement:

"In consequence of the increasing trouble, wholly without practical benefit, arising from notices which are constantly received at the Department respecting the loss of coupon bonds, which are payable to bearer, and of Treasury notes issued and remaining in blank at the time of loss, it becomes necessary to give this public notice, that the Government can not protect, and will not undertake to protect, the owners of such bonds and notes against the consequences of their own fault or misfortune.

"Hereafter all bonds, notes, and coupons, payable to bearer, and Treasury notes issued and remaining in blank, will be paid to the party presenting them in pursuance of the regulations of the Department, in the course of regular business; and no attention will be paid to caveats which may be filed for the purpose of preventing such payment."

maturity, as provided in Sec. 306.108, (2) the requirement of proof of ownership, in the case of a mutilated security or one which is presented for payment more than a reasonable length of time after maturity, as provided in Sec. 306.25 or (3) presentation by a person claiming to be a finder. If the security is so detected, the Department will call upon the presenter and the person who reported the loss or theft to substantiate their respective claims. If the evidence submitted by either claimant establishes conclusively that he is the owner of the security, payment will be made to him, except that the Department, before making payment, may require a bond of indemnity or other security to protect the United States from any liability to any other person. If payment may not be made under these conditions, the Department will hold the security until the case is settled by agreement or as the result of judicial proceedings in accordance with Sec. 306.97.

SEC. 306.97. *Judicial proceedings.*—The Treasury Department will recognize any valid judicial proceedings in a proper court affecting the ownership of or interest in registered securities upon presentation of the securities to the Department bearing appropriate assignments and accompanied by satisfactory proof of the proceedings. If the bonds are registered in the names of two or more persons, the extent of their respective interests in the bonds must be determined by the court in proceedings to which they are parties or must otherwise be validly established. The following evidence will be required in the types of cases designated:

(1) *Judicial transfers.*—An assignment by a transferee through judicial proceedings, as in the case of a divorce decree awarding to one party to the proceedings a bond registered in the name of the other, or any case in which a bond registered in the name of one person is found to be the property of another person, must be supported by a copy of the final judgment or decree and of the record of any necessary supplemental proceedings, duly certified by the clerk of the court under its seal, and, if the judgment or decree was entered more than 6 months prior to the assignment, by a certificate, under court seal, by the clerk, dated within 6 months of the assignment, showing that the judgment or decree is in full force. The signature to the assignment should be in the following form:

“ (registered owner) by \_\_\_\_\_,  
person entitled through judicial proceedings.”

(2) *Sales under court orders.*—An assignment by a sheriff, marshal or other court officer for the purpose of carrying out a sale ordered by the court to satisfy, or apply on, a money judgment must be supported by copies of the court order (writ of execution) and the officer's return thereon, in addition to copies in the judgment and the record of supplemental proceedings, all certified by the clerk of the court under its seal.

In the case of a security which has matured or become redeemable pursuant to a call for redemption, in lieu of sale in the usual manner, the officer to whom the order is directed may assign the security to the Secretary of the Treasury for redemption and receive payment thereof in his official capacity. The signature to the assignment should be in the following form:

“ (Signature and official title) \_\_\_\_\_, an officer of the  
\_\_\_\_\_ Court of (County and State), in the  
matter of \_\_\_\_\_,”

(3) *Bankruptcy proceedings.*—An assignment by a trustee in bankruptcy must be supported by the referee's certificate of the trustee's election and qualification, and the incumbency and signature of the referee must be certified by the clerk of the court under its seal. The signature to the assignment should be in the following form:

“ \_\_\_\_\_, Trustee in Bankruptcy of the  
estate of \_\_\_\_\_,”

(4) *Receivers.*—An assignment of a registered bond by a receiver of the property of the owner, or by a similar officer, must be supported by a copy of an order of court certified by the clerk of the court under its seal, authorizing the assignment and sale or transfer of the bond, except that, in the case of a statutory officer, the assignment must be supported by proof of compliance with the statutory requirements. The signature to the assignment should be in the following form:

“ (Registered owner) \_\_\_\_\_, by \_\_\_\_\_,  
Receiver (or other official title), under order of the  
\_\_\_\_\_ Court of (County and State) \_\_\_\_\_,  
in the matter of \_\_\_\_\_.”

The Department will also recognize a determination by a proper court with respect to the ownership or right to possession of securities in either registered or bearer form which may be held by the Department subject to such determination. The evidence required will be similar to that prescribed in paragraph (1) of this section.

SEC. 306.98. *Assignments affected by fraud.*—If a registered bond has been transferred, exchanged or redeemed in reliance upon an apparently valid assignment, and a claim that the assignment was obtained by fraud is subsequently received, the Treasury Department can grant no relief. If a claim of this kind is received before the bond is transferred, exchanged or redeemed, the Department will call upon the registered owner to substantiate his claim, and if he does so the Department will enter a caveat (stoppage) against the bond. When a bond against which a caveat has been so entered is received, the Department will call upon the presenter to explain the circumstances under which he acquired the bond. If it appears from all the evidence submitted that the presenter acquired the bond in good faith, for value,

without notice or knowledge of the alleged fraud, the Department will then give the registered owner a reasonable period of time in which to institute judicial proceedings against the presenter to establish his right to the bond in accordance with Sec. 306.97; if he fails to institute appropriate proceedings within the prescribed period of time or is not successful, the Department will recognize the assignment. If it does not appear that the presenter acquired the bond in good faith, for value, without notice or knowledge of the alleged fraud, the Department will take the position of a stakeholder with respect to the bond until the case is settled by a disclaimer of interest by one of the parties, by an agreement between them, or by judicial proceedings between them in accordance with Sec. 306.97. In any case in which the transfer, exchange or redemption of a bond is withheld pending the receipt of evidence requested or the outcome of judicial proceedings, or while the Department is acting as a stakeholder with respect to the bond, any interest to which the presenter might be entitled will be withheld, and when the case is settled any interest so withheld will be paid to the person found to be entitled to the bond, unless otherwise determined by agreement of the parties or by the court.

**SEC. 306.99. Forged assignments.**—No title can be acquired through a forged assignment of a registered bond, even by a purchaser in good faith, for value, without notice or knowledge of the forgery. An assignment of a registered bond against which a caveat (stoppage) has been entered in accordance with Sec. 306.108 will not be accepted unless it is determined that the assignment is genuine. If the assignment is found to be a forgery, the Treasury Department will grant appropriate relief to the true owner. If an assignment has been honored before the receipt of notice of the loss or theft of the bond, and it is found upon investigation that the assignment is a forgery, the Department will grant appropriate relief to the true owner and proceed against those responsible for the loss resulting from the first transaction, including (1) the person committing the forgery, (2) the witnessing officer or the corporation of which he is an officer (see Sec. 306.44) and (3) the person presenting the bond to the Department or a Federal Reserve Bank for transfer, exchange, or payment, who thereby gives an implied warranty of title to the United States.

**SEC. 306.100. Nontransferable securities.**—The provisions of this subpart, with the exception of those of Secs. 306.95, 306.96 and 306.98, shall apply to Treasury Bonds, Investment Series B-1975-80, provided, that the reference in Sec. 306.97 (2) to assignment by a sheriff, marshal or other court officer, a trustee in bankruptcy or a receiver or similar officer, other than for redemption, shall be deemed to refer to assignment of the bonds for exchange for 1½ percent 5-year Treasury Notes of EA or EO series, and that the reference in Sec. 306.99 relat-

ing to transfer of title and to an implied warranty of a presenter is not applicable. The provisions of this subpart, with the exception of those of Secs. 306.95, 306.96 and 306.98, shall apply to Treasury Savings Notes, provided, that reference to assignment in Sec. 306.97 as used in (1) shall be deemed to refer to a request for payment or reissue, and as used in (2), (3) and (4) shall be deemed to refer to a request for payment only, and that the reference in Sec. 306.99 relating to transfer of title and to an implied warranty of title by the presenter is not applicable.

#### **SUBPART L—RELIEF ON ACCOUNT OF LOSS, THEFT, DESTRUCTION, MUTILATION OR DEFACEMENT**

**SEC. 306.105. Statutory authority and requirements.**—Section 8 of the Act of July 8, 1937 (50 Stat. 481), as amended (31 U. S. C. 738a), provides for relief, under certain conditions, on account of the loss, theft, destruction, mutilation or defacement of United States interest-bearing securities. The statute defines interest-bearing securities as direct obligations of the United States issued pursuant to law for valuable consideration which by their terms bear interest or are issued on a discount basis, but includes Excess Profits Tax Refund Bonds which bear no interest. To obtain relief the securities must be identified by description and number, and the pertinent facts must be clearly proved to the satisfaction of the Secretary of the Treasury. Except in certain specified types of cases or under certain specified circumstances, the law requires a bond of indemnity in such form and amount and with such surety, sureties, or security as the Secretary shall require. For detailed information concerning bonds of indemnity see Sec. 306.113. If relief is authorized on account of a security which has not matured or become redeemable pursuant to a call, a substitute security bearing the same issue date, marked "Duplicate" and showing the serial number of the original security, will be issued; if relief is authorized on account of a security which has matured or become redeemable pursuant to a call, payment will be made.

**SEC. 306.106. Securities to which this subpart applies.**—This subpart applies to all securities for which relief may be given under authority of the statute cited in Sec. 306.105 (except United States Savings Bonds, which are governed by separate regulations) or under the authority of any government or any organization of the United States for which the Treasury Department acts as transfer agency.

**SEC. 306.107. Reports of disappearance or recovery.**—The loss, theft or destruction of a security should be reported to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., as promptly as possible, except that if Treasury Savings Notes are involved the report should be sent to the issuing agency.

The report must include the following information or as much thereof as possible: (1) the identification of the security by the complete title of the loan including the interest rate, date of issue and series, and by the serial number and denomination, and, in the case of registered securities, the exact form of inscription and a full description of any assignment, endorsement or other writing thereon; (2) the name and present address of the owner, and his address at the time the securities were issued, and, if the report is made by any other person, the capacity in which he represents the owner; and (3) a brief statement of the circumstances under which the security disappeared. Upon receipt of the report an appropriate form for use in applying for relief will be furnished. The receipt of a report of loss, theft or destruction of a registered security on which interest is payable periodically will not affect the payment of the interest. If any report of loss, theft or destruction is found to have been made in error, or if any security reported as lost or stolen is recovered before relief has been authorized, the Bureau of the Public Debt should be notified to that effect, with references to the description of the security and the date of the original report. If any security for which relief has been granted is recovered, it must be surrendered as the property of the United States to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C.

SEC. 306.108. *Caveats (Stoppages)*.—Upon receipt of a report of the loss, theft or possible destruction of a registered security, a caveat (stoppage) will be entered to suspend any transaction therein not specifically authorized by the owner, except in the case of a transferable security which (1) had been assigned to bearer or so assigned as to become, in effect, payable to bearer (as explained in Sec. 306.42) and (2) had been lost, stolen or possibly destroyed before its face maturity. In the case of a bearer security or a registered transferable security which had been assigned to bearer or so assigned as to become, in effect, payable to bearer, a caveat will be entered only in the event it satisfactorily appears that the loss, theft or possible destruction occurred after the face maturity of the security (see Sec. 303.95). However, if Department records show that the security has already been presented and honored, the owner or his authorized representative will be advised to that effect and furnished such information as may be available regarding the source of receipt. If, after the receipt of an application for relief on account of the loss, theft or possible destruction of a bearer security, or a registered security assigned to bearer or so assigned as to become, in effect, payable to bearer, it is determined that the security has been presented and honored, the applicant will be similarly informed.

SEC. 306.109. *Destruction or partial destruction of bearer securities*.—An application for relief on account of the partial or total destruction of a bearer security

should be made on Form PD 1022. Any portion or portions not destroyed must be submitted to the Treasury Department in support of the application; if in a charred or fragile condition, they should be packed in cotton to prevent further damage in transit. When a substitute is issued to replace a coupon security which has not matured or become redeemable pursuant to a call for redemption, it will be of the same loan and date of issue and have attached coupons corresponding with those shown to have been attached to the security at the time it was destroyed or partially destroyed, except that any coupons which have matured will be paid by check. When relief is granted on account of a security which has become redeemable pursuant to a call, the redemption check will not include payment for any coupons dated after the redemption date.

SEC. 306.110. *Loss or theft (including possible destruction) of bearer securities or registered securities so assigned as to become, in effect, payable to bearer*.—Relief may be granted on account of the loss or theft of a bearer security, or of a registered security assigned to bearer or so assigned as to become, in effect, payable to bearer, if it was lost or stolen under such circumstances, and has been missing for such period of time after it matured or became redeemable pursuant to a call for redemption, as in the judgment of the Secretary of the Treasury would indicate that the security (1) has been destroyed or has become irretrievably lost, (2) is not held by any person as his own property and (3) will never become the basis of a valid claim against the United States. The application for relief should be made on Form PD 1022 in the case of bearer securities and on Form PD 1025 in the case of registered securities. If relief is granted the redemption check will not include payment for any interest coupons claimed to have been attached to the security.

SEC. 306.111. *Loss or theft of registered securities not so assigned as to become, in effect, payable to bearer*.—An application for relief on account of the loss or theft of a registered security not assigned to bearer or not so assigned as to become, in effect, payable to bearer should be made on Form PD 1025. If the security was lost or stolen after it had been assigned and delivered by the registered owner to a transferee, the application must be executed by the transferee and must be supported by an assignment by the registered owner. The Treasury Department will supply an appropriate form for this purpose. The fact that a security alleged to have been lost or stolen is in the possession of a known person who refuses to surrender it will be considered as evidence that the security is held by such person as his own property. In the case of lost or stolen Treasury Savings Notes, which are not assignable, application for relief should be made on Form PD 2382. Relief will not be granted in any case before the expiration of six months from the date of loss or theft.



SEC. 306.112. *Destruction or partial destruction of registered securities.*—An application for relief on account of the destruction of a registered security, whether or not assigned in any manner, should be made on Form PD 1025. If the security was destroyed after it had been assigned and delivered by the registered owner to a transferee, the application must be executed by the transferee and must be supported by an assignment by the registered owner. The Treasury Department will supply an appropriate form for this purpose. In case of partial destruction the portion or portions not destroyed must be submitted to the Department in support of the application; if in a charred or fragile condition they should be carefully packed in cotton to prevent further damage in transit. In the case of destroyed Treasury Savings Notes, which are not assignable, application for relief should be made on Form PD 2382.

SEC. 306.113. *Bonds of indemnity.*

(a) *When required.*—A satisfactory bond of indemnity in an amount sufficient to cover any loss which the United States may incur as the result of granting relief will be required before relief may be granted, except as specifically provided in this section. Upon approval of the application for relief, subject to the submission of a bond of indemnity, the Treasury Department will supply an appropriate form for this purpose. A bond of indemnity executed on any other form will not be accepted. In the case of bearer securities or registered securities assigned to bearer or so assigned as to become, in effect, payable to bearer, the destruction of which has not been proved, and for which relief may be granted under the provisions of Sec. 306.110, a bond of indemnity with a corporate surety qualified under the provisions of the Act of July 30, 1947, chapter 390, section 1 (61 Stat. 646; 6 U. S. C. 6-13) will be required. A bond of indemnity with either a corporate surety so qualified or two satisfactory individual sureties will be required in the case of securities for which relief may be granted under the provisions of Sec. 306.109, 306.111 or 306.112, unless in the case of unassigned registered securities or destroyed bearer securities the Secretary of the Treasury is satisfied that the interests of the United States may otherwise be adequately protected.

(b) *When not required.*—A bond of indemnity will not be required in any of the following classes of cases, unless the Secretary of the Treasury deems it essential to the public interest in any particular case:

(1) If the Secretary of the Treasury is satisfied that the loss, theft, destruction, mutilation or defacement, as the case may be, occurred without fault of the owner and while the security was in the custody or the control of the United States (not including the Postal Service when acting solely in its capacity as the public carrier of the mails), or of a person thereunto duly authorized as lawful agent of the United States, or while it was in the course of shipment effected pur-

suant to and in accordance with the regulations issued under the provisions of the Government Losses in Shipment Act;

(2) If substantially the entire security is presented and surrendered by the owner and the Secretary of the Treasury is satisfied as to the identity of the security presented and that any missing portions are not sufficient to form the basis of a valid claim against the United States;

(3) If the lost, stolen, destroyed, mutilated or defaced security is one which by the provisions of law or by the terms of its issue is transferable only by operation of law;

(4) If the owner or holder is the United States or an officer or employee thereof in his official capacity, a State, the District of Columbia, a Territory or possession of the United States, a municipal corporation or political subdivision of any of the foregoing, a corporation the whole of whose capital is owned by the United States, a foreign government, or a Federal Reserve Bank.

SEC. 306.114. *Mutilated or defaced securities.*—If a mutilated or defaced security is presented to the Treasury Department for any authorized transaction and the Secretary of the Treasury is satisfied as to the ownership and identity of the security and that any missing portions are not sufficient to form the basis of a valid claim against the United States, its value to the owner will not be considered as impaired, and it will be honored accordingly. Mutilated or defaced securities should be forwarded to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. No allowance will be made for missing interest coupons. If the security has been mutilated or defaced to the extent that its value to the owner must be considered impaired, relief may be possible under Sec. 306.109 or Sec. 306.112.

SEC. 306.115. *Loss, theft, destruction, mutilation or defacement of detached interest coupons.*—There is no authority of law for relief on account of the loss, theft, or destruction of detached interest coupons. Paid interest coupons are not assorted or recorded by the serial numbers of the bonds to which they relate. Accordingly, the Treasury Department can not enter any stoppages against payment of lost, stolen, or destroyed detached coupons, and can not undertake to advise the owner whether any such coupons have been paid. In cases where interest coupons have been partially destroyed, mutilated, or defaced, but the remaining portions can be fully identified by loan, interest, due date and amount, and the missing fragments could not by any possibility form the basis of a valid claim against the United States, relief may be granted upon the surrender of the remaining portions of the coupons to the Treasurer of the United States, Washington 25, D. C., accompanied by satisfactory proof as to the ownership of the coupons.

SEC. 306.116. *Loss, theft or destruction of restrictively endorsed bearer securities.*—Relief on account of the loss, theft or destruction of bearer securities which have been restrictively endorsed by banks strictly in accordance with the provisions of the regulations in Department Circular No. 853<sup>s</sup> (31 CFR, 1954 Supp., 328) will be given pursuant to an application therefor on Form PD 2211. Banks, as therein defined, are authorized to place restrictive endorsements on the face of bearer securities owned by themselves or their customers but only in connection with the presentation thereof to a Federal Reserve Bank or the Treasury Department for payment at maturity or pursuant to a call for redemption or for exchange pursuant to an optional exchange offering. A bond of indemnity will be required as a condition of relief on account of the loss, theft, or destruction of the securities, but surety thereon will ordinarily be dispensed with if the bond is executed by the presenting bank.

SEC. 306.117. *Nontransferables.*—The provisions of this subpart, with the exception of those of Secs. 306.109, 306.110, 306.115 and 306.116, shall apply to Treasury Bonds, Investment Series, and to Treasury Savings Notes, provided, that the references in Secs. 306.111 and 306.112 relating to transfer and delivery are not applicable and the references to assignment as applied to 2½ percent Treasury Bonds, Investment Series A-1965, and to Treasury Savings Notes shall be deemed to refer to a request for payment or authorized reissue, and provided further, that Sec. 306.113 (b) (3) does not apply to Treasury Bonds, Investment Series B.

## SUBPART M—MISCELLANEOUS PROVISIONS

SEC. 306.120. *Additional requirements.*—In any case arising under these regulations the Secretary of the Treasury may require such proof, additional proof, or bond of indemnity with satisfactory surety, as may in his judgment be necessary for the protection of the interests of the United States.

SEC. 306.121. *Waiver of regulations.*—The Secretary of the Treasury reserves the right, in his discretion, to waive or modify any provision or provisions of these regulations 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, if such action would not be inconsistent with law, would not impair any existing rights, and if he is satisfied that such action would not subject the United States to any substantial expense or liability.

SEC. 306.122. *Forms.*—The forms mentioned in these regulations are those currently provided for the purposes specified. The references to certain forms shall be con-

strued to apply to any forms which may hereafter be provided for the same purposes.

SEC. 306.123. *Acceptance of securities of the United States as security for public purposes.*—Regulations prescribed pursuant to law governing the acceptance of designated classes of securities of the United States by public officers of the United States for certain purposes are set forth in other Treasury Department Circulars, as follows:

(1) As security for special deposits of public moneys, in Circular No. 92 (revised).

(2) As security for deposits of public moneys in general depositaries and limited depositaries, in Circular No. 176, as amended.

(3) In lieu of surety or sureties on penal bonds required by the laws of the United States, in Circular No. 154 (revised).

SEC. 306.124. *Repeal of previous circulars subject to existing rights.*—Treasury Department Circular No. 300, dated July 31, 1923, as amended and supplemented, and Department Circular No. 666, dated July 21, 1941, are hereby repealed and superseded, except that nothing contained in these regulations shall be construed to limit or restrict any existing rights which holders of securities heretofore issued may have acquired under the circulars offering such securities for sale or under the regulations in force at the time of acquisition.

SEC. 306.125. *Supplements, amendments or revisions.*—The Secretary of the Treasury may at any time, or from time to time prescribe additional, supplemental, amendatory or revised rules and regulations with respect to United States securities.

W. RANDOLPH BURGESS,  
*Acting Secretary of the Treasury.*

## Appendix.—Computation of Interest on Treasury Bonds, Treasury Notes, and Treasury Certificates of Indebtedness, and Computation of Discount on Treasury Bills

### TREASURY BONDS, TREASURY NOTES, AND TREASURY CERTIFICATES OF INDEBTEDNESS

#### COMPUTATION OF INTEREST ON AN ANNUAL BASIS

ONE DAY'S INTEREST IS 1/365 OR 1/366 OF 1 YEAR'S INTEREST

Computation of interest will be made on an annual basis in all cases where interest is payable in one amount for the full term of the security, unless such term is an exact quarter-year (3 months) or an exact half-year (6 months), when it is provided that interest shall be computed on a quarterly or semiannual basis, respectively.

If the term of the securities is exactly one year, the interest is computed for the full period at the specified rate, regardless of the number of days in such period.

If the term of the securities is less than one full year, the

<sup>s</sup> These regulations have no application whatever to registered securities.

annual interest period for purposes of computation is considered to be the full year from but not including the date of issue to and including the anniversary of such date.

If the term of the securities is more than one full year, computation is made on the basis of one full annual interest period, ending with the maturity date, and a fractional part of the preceding full annual interest period.

The computation of interest for any fractional part of an annual interest period is made on the basis of 365 actual days in any such period, or 366 days if February 29 falls within such annual period.

COMPUTATION OF INTEREST ON A SEMIANNUAL BASIS

ONE DAY'S INTEREST IS 1/181, 1/182, 1/183 OR 1/184 OF 1/2 YEAR'S INTEREST

Computation of interest will be made on a semiannual basis in all cases where interest is payable for one or more full half-year (6 months) periods, or for one or more full half-year periods and a fractional part of a half-year period. A semiannual interest period is an exact half-year or 6 months, for computation purposes, and may comprise 181, 182, 183 or 184 actual days.

An exact half-year's interest at the specified rate is computed for each full period of exactly 6 months, irrespective of the actual number of days in the half-year.

If the initial interest covers a fractional part of a half-year, computation is made on the basis of the actual number of days in the half-year (exactly 6 months) ending on the day such initial interest becomes due. If the initial interest covers a period in excess of 6 months, computation is made on the basis of one full half-year period, ending with the interest due date, and a fractional part of the preceding full half-year period.

Interest for any fractional part of a full half-year period is computed on the basis of the exact number of days in the full period, including February 29 whenever it falls within such a period.

The number of days in any half-year period is shown in the following table:

For the half-year		Number of days	
Beginning from the 1st or 15th day of—	Ending on the 1st or 15th day of—	Regular year	Leap year
January.....	July.....	181	182
February.....	August.....	181	182
March.....	September.....	184	184
April.....	October.....	183	183
May.....	November.....	184	184
June.....	December.....	183	183
July.....	January.....	184	184
August.....	February.....	184	184
September.....	March.....	181	182
October.....	April.....	182	183
November.....	May.....	181	182
December.....	June.....	182	183
One year (any 2 consecutive half-years).....		365	366

COMPUTATION OF INTEREST ON A QUARTERLY BASIS

ONE DAY'S INTEREST IS 1/89, 1/90, 1/91, OR 1/92 OF 1/4 YEAR'S INTEREST

Computation of interest will be made on a quarterly basis in all cases where interest is payable for one or more full quarter-year periods, or for one or more full quarter-year periods and a fractional part of a quarter-year period.

A quarter-year interest period is an exact quarter-year of three months, and may comprise 89, 90, 91 or 92 days. An exact quarter-year's interest is computed for each full quarter-year period irrespective of the actual number of days in the quarter-year. For a fractional part of any quarter-year computation is on the basis of the actual number of days in such quarter-year (February 29 being included if it falls within any such quarter-year). If the initial interest covers a fractional part of a quarter-year (preceding a full quarter-year period), computation is on the basis of the actual number of days in the quarter-year (exactly 3 months) ending on the day such initial interest becomes due; if the final interest covers a fractional part of a quarter-year (following a full quarter-year period), computation is on the basis of the actual number of days in the quarter-year beginning on the day such final interest begins to accrue and ending exactly three months thereafter. The number of days in any quarter-year period is shown in the following table:

For the quarter-year		Number of days	
Beginning from the 1st or 15th day of—	Ending on the 1st or 15th day of—	Regular year	Leap year
January.....	April.....	90	91
February.....	May.....	89	90
March.....	June.....	92	92
April.....	July.....	91	91
May.....	August.....	92	92
June.....	September.....	92	92
July.....	October.....	92	92
August.....	November.....	92	92
September.....	December.....	91	91
October.....	January.....	92	92
November.....	February.....	92	92
December.....	March.....	90	91
One year (any 4 consecutive quarters).....		365	366

Use of Interest Tables

In the appended tables decimals are set forth for use in computing interest for fractional parts of interest periods. The decimals cover interest on \$1,000 for one day in each possible quarterly (table I), semiannual (table II), and annual (table III) interest period, at all rates of interest, in steps of 1/8 percent, from 1/8 to 6 percent. The amount of interest accruing on any date (for a fractional part of an interest period) on \$1,000 face amount of any issue of Treasury bonds, Treasury notes, or Treasury certificates of indebtedness may be ascertained in the following way:

(1) The date of issue, the dates for the payment of interest, the basis (quarterly, semiannual or annual) upon which interest is computed, and the rate of interest (percent per annum) may be determined from the text of the security, or from the official circular governing the issue.

(2) Determine the interest period of which the fraction is a part, and calculate the number of days in the full period to determine the proper column to be used in selecting the decimal for one day's interest.

(3) Calculate the actual number of days in the fractional period *from* but not including the date of issue or the day on which the last preceding interest payment was made, *to* and including the day on which the next succeeding interest payment is due or the day as of which the transaction which terminates the accrual of additional interest is effected.

(4) Multiply the appropriate decimal (one day's interest on \$1,000) by the number of days in the fractional part of the interest period. The appropriate decimal will be found in the appended table for interest payable quarterly, semiannually, or annually, as the case may be, opposite the rate borne by the security, and in the column showing the full interest period of which the fractional period is a part. (For interest on any other amount, multiply the amount of interest on \$1,000 by the other amount expressed as a decimal of \$1,000.)

### TREASURY BILLS

The methods of computing discount rates on U. S. Treasury Bills are given below:

Computation will be made on an annual basis in all cases. The annual period for bank discount is a year of 360 days, and all computations of such discount for a fractional part of a year will be made on that basis. The annual period for true discount is one full year from but not including the date of issue to and including the anniversary of such date. Computation of true discount for a fractional part of a year will be made on the basis

of 365 days in the year, or 366 days if February 29 falls within the year.

#### BANK DISCOUNT

The bank discount rate on a Treasury bill may be ascertained by (1) subtracting the sale price of the bill from its face value to obtain the amount of discount; (2) dividing the amount of discount by the number of days the bill is to run to obtain the amount of discount per day; (3) multiplying the amount of discount per day by 360 (the number of days in a commercial year of 12 months of 30 days each) to obtain the amount of discount per year; and (4) dividing the amount of discount per year by the face value of the bill to obtain the bank discount rate.

For example:

91-day bill—dated April 1, 1954—due July 1, 1954:	
Principal amount—maturity value.....	\$100.00
Price at issue—amount received.....	99.50
	.50
Amount of discount.....	.50
$\$0.50 \div 91 \times 360 \div \$100 = 1.978$ percent.	

#### TRUE DISCOUNT

The true discount rate on a Treasury bill may be ascertained by (1 and 2) obtaining the amount of discount per day by following the first two steps described under "Bank Discount"; (3) multiplying the amount of discount per day by the actual number of days in the year from date of issue (365 ordinarily, but 366 if February 29th of a leap year falls within the year from date of issue) to obtain the amount of discount per year; and (4) dividing the amount of discount per year by the sale price of the bill to obtain the true discount rate.

For example:

91-day bill—dated April 1, 1954—due July 1, 1954:	
Principal amount—maturity value.....	\$100.00
Price at issue—amount received.....	99.50
	.50
Amount of discount.....	.50
$\$0.50 \div 91 \times 365 \div \$99.50 = 2.016$ percent.	

TABLE I.—Decimal for 1 day's interest on \$1,000 at various rates of interest, payable quarterly, or on a quarterly basis, in regular years of 365 days and in leap years of 366 days

Rate per annum	Interest period ending on the 1st or 15th of—			
	Quarter-year of 92 days	Quarter-year of 91 days	Quarter-year of 90 days	Quarter-year of 89 days
	Regular year January February June August September October November	Regular year July December  Leap year March April	Regular year March April  Leap year May	Regular year May
<i>Percent</i>				
1/8	\$0. 003 396 739	\$0. 003 434 066	\$0. 003 472 222	\$0. 003 511 236
1/4	. 006 793 478	. 006 868 132	. 006 944 444	. 007 022 472
3/8	. 010 190 217	. 010 302 198	. 010 416 667	. 010 533 708
1/2	. 013 586 957	. 013 736 264	. 013 888 889	. 014 044 944
5/8	. 016 983 696	. 017 170 330	. 017 361 111	. 017 556 180
3/4	. 020 380 435	. 020 604 396	. 020 833 333	. 021 067 416
7/8	. 023 777 174	. 024 038 462	. 024 305 556	. 024 578 652
1	. 027 173 913	. 027 472 527	. 027 777 778	. 028 089 888
1 1/8	. 030 570 652	. 030 906 593	. 031 250 000	. 031 601 124
1 1/4	. 033 967 391	. 034 340 659	. 034 722 222	. 035 112 360
1 1/2	. 037 364 130	. 037 774 725	. 038 194 444	. 038 623 596
1 3/4	. 040 760 870	. 041 208 791	. 041 666 667	. 042 134 831
1 7/8	. 044 157 609	. 044 642 857	. 045 138 889	. 045 646 067
2	. 047 554 348	. 048 076 923	. 048 611 111	. 049 157 303
2 1/8	. 050 951 087	. 051 510 989	. 052 083 333	. 052 668 539
2 1/4	. 054 347 826	. 054 945 055	. 055 555 556	. 056 179 775
2 1/2	. 057 744 565	. 058 379 121	. 059 027 778	. 059 691 011
2 3/4	. 061 141 304	. 061 813 187	. 062 500 000	. 063 202 247
2 7/8	. 064 538 043	. 065 247 253	. 065 972 222	. 066 713 483
3	. 067 934 783	. 068 681 319	. 069 444 444	. 070 224 719
3 1/8	. 071 331 522	. 072 115 385	. 072 916 667	. 073 735 955
3 1/4	. 074 728 261	. 075 549 451	. 076 388 889	. 077 247 191
3 1/2	. 078 125 000	. 078 983 516	. 079 861 111	. 080 758 427
3 3/4	. 081 521 739	. 082 417 582	. 083 333 333	. 084 269 663
3 7/8	. 084 918 478	. 085 851 648	. 086 805 556	. 087 780 899
4	. 088 315 217	. 089 285 714	. 090 277 778	. 091 292 135
4 1/8	. 091 711 957	. 092 719 780	. 093 750 000	. 094 803 371
4 1/4	. 095 108 696	. 096 153 846	. 097 222 222	. 098 314 607
4 1/2	. 098 505 435	. 099 587 912	. 100 694 444	. 101 825 843
4 3/4	. 101 902 174	. 103 021 978	. 104 166 667	. 105 337 079
4 7/8	. 105 298 913	. 106 456 044	. 107 638 889	. 108 848 315
5	. 108 695 652	. 109 890 110	. 111 111 111	. 112 359 551
5 1/8	. 112 092 391	. 113 324 176	. 114 583 333	. 115 870 787
5 1/4	. 115 489 130	. 116 758 242	. 118 055 556	. 119 382 022
5 1/2	. 118 885 870	. 120 192 308	. 121 527 778	. 122 893 258
5 3/4	. 122 282 609	. 123 626 374	. 125 000 000	. 126 404 494
5 7/8	. 125 679 348	. 127 060 440	. 128 472 222	. 129 915 730
6	. 129 076 087	. 130 494 505	. 131 944 444	. 133 426 966
	. 132 472 826	. 133 928 571	. 135 416 667	. 136 938 202
	. 135 869 565	. 137 362 637	. 138 888 889	. 140 449 438
	. 139 266 304	. 140 796 703	. 142 361 111	. 143 960 674
	. 142 663 043	. 144 230 769	. 145 833 333	. 147 471 910
	. 146 059 783	. 147 664 835	. 149 305 556	. 150 983 146
	. 149 456 522	. 151 098 901	. 152 777 778	. 154 494 382
	. 152 853 261	. 154 532 967	. 156 250 000	. 158 005 618
	. 156 250 000	. 157 967 033	. 159 722 222	. 161 516 854
	. 159 646 739	. 161 401 099	. 163 194 444	. 165 028 090
	. 163 043 478	. 164 835 165	. 166 666 667	. 168 539 326

TABLE II.—Decimal for 1 day's interest on \$1,000 at various rates of interest, payable semiannually or on a semiannual basis, in regular years of 365 days and in leap years of 366 days

Rate per annum	Interest period ending on the 1st or 15th of—			
	Half-year of 184 days	Half-year of 183 days	Half-year of 182 days	Half-year of 181 days
	Regular year January February September November	Regular year October December  Leap year April June	Regular year April June  Leap year March May July August	Regular year March May July August
<i>Percent</i>				
1/8	\$.003 396 739	\$.003 415 301	\$.003 434 066	\$.003 453 039
1/4	.006 793 478	.006 830 601	.006 868 132	.006 906 077
3/8	.010 190 217	.010 245 902	.010 302 198	.010 359 116
1/2	.013 586 957	.013 661 202	.013 736 264	.013 812 155
5/8	.016 983 696	.017 076 503	.017 170 330	.017 265 193
3/4	.020 380 435	.020 491 803	.020 604 396	.020 718 232
7/8	.023 777 174	.023 907 104	.024 038 462	.024 171 271
1	.027 173 913	.027 322 404	.027 472 527	.027 624 309
1 1/8	.030 570 652	.030 737 705	.030 906 593	.031 077 348
1 1/4	.033 967 391	.034 153 005	.034 340 659	.034 530 387
1 3/8	.037 364 130	.037 568 306	.037 774 725	.037 983 425
1 1/2	.040 760 870	.040 983 607	.041 208 791	.041 436 464
1 5/8	.044 157 609	.044 398 907	.044 642 857	.044 889 503
1 3/4	.047 554 348	.047 814 208	.048 076 923	.048 342 541
1 7/8	.050 951 087	.051 229 508	.051 510 989	.051 795 580
2	.054 347 826	.054 644 809	.054 945 055	.055 248 619
2 1/8	.057 744 565	.058 060 109	.058 379 121	.058 701 657
2 1/4	.061 141 304	.061 475 410	.061 813 187	.062 154 696
2 3/8	.064 538 043	.064 890 710	.065 247 253	.065 607 735
2 1/2	.067 934 783	.068 306 011	.068 681 319	.069 060 773
2 5/8	.071 331 522	.071 721 311	.072 115 385	.072 513 812
2 3/4	.074 728 261	.075 136 612	.075 549 451	.075 966 851
2 7/8	.078 125 000	.078 551 913	.078 983 516	.079 419 890
3	.081 521 739	.081 967 213	.082 417 582	.082 872 928
3 1/8	.084 918 478	.085 382 514	.085 851 648	.086 325 967
3 1/4	.088 315 217	.088 797 814	.089 285 714	.089 779 006
3 3/8	.091 711 957	.092 213 115	.092 719 780	.093 232 044
3 1/2	.095 108 696	.095 628 415	.096 153 846	.096 685 083
3 5/8	.098 505 435	.099 043 716	.099 587 912	.100 138 122
3 3/4	.101 902 174	.102 459 016	.103 021 978	.103 591 160
3 7/8	.105 298 913	.105 874 317	.106 456 044	.107 044 199
4	.108 695 652	.109 289 617	.109 890 110	.110 497 238
4 1/8	.112 092 391	.112 704 918	.113 324 176	.113 950 276
4 1/4	.115 489 130	.116 120 219	.116 758 242	.117 403 315
4 3/8	.118 885 870	.119 535 519	.120 192 308	.120 856 354
4 1/2	.122 282 609	.122 950 820	.123 626 374	.124 309 392
4 5/8	.125 679 348	.126 366 120	.127 060 440	.127 762 431
4 3/4	.129 076 087	.129 781 421	.130 494 505	.131 215 470
4 7/8	.132 472 826	.133 196 721	.133 928 571	.134 668 508
5	.135 869 565	.136 612 022	.137 362 637	.138 121 547
5 1/8	.139 266 304	.140 027 322	.140 796 703	.141 574 586
5 1/4	.142 663 043	.143 442 623	.144 230 769	.145 027 624
5 3/8	.146 059 783	.146 857 923	.147 664 835	.148 480 663
5 1/2	.149 456 522	.150 273 224	.151 098 901	.151 933 702
5 5/8	.152 853 261	.153 688 525	.154 532 967	.155 386 740
5 3/4	.156 250 000	.157 103 825	.157 967 033	.158 839 779
5 7/8	.159 646 739	.160 519 126	.161 401 099	.162 292 818
6	.163 043 478	.163 934 426	.164 835 165	.165 745 856

TABLE III.—Decimal for 1 day's interest on \$1,000 at various rates of interest, payable annually or on an annual basis, in regular years of 365 days and in leap years of 366 days

Rate per annum	Regular year, 365 days	Leap year, 366 days
<i>Percent</i>		
$\frac{1}{8}$ -----	\$0. 003 424 658	\$0. 003 415 301
$\frac{1}{4}$ -----	. 006 849 315	. 006 830 601
$\frac{3}{8}$ -----	. 010 273 973	. 010 245 902
$\frac{1}{2}$ -----	. 013 698 630	. 013 661 202
$\frac{5}{8}$ -----	. 017 123 288	. 017 076 503
$\frac{3}{4}$ -----	. 020 547 945	. 020 491 803
$\frac{7}{8}$ -----	. 023 972 603	. 023 907 104
1-----	. 027 397 260	. 027 322 404
$1\frac{1}{4}$ -----	. 030 821 918	. 030 737 705
$1\frac{1}{2}$ -----	. 034 246 575	. 034 153 005
$1\frac{3}{4}$ -----	. 037 671 233	. 037 568 306
$1\frac{1}{2}$ -----	. 041 095 890	. 040 983 607
$1\frac{5}{8}$ -----	. 044 520 548	. 044 398 907
$1\frac{3}{4}$ -----	. 047 945 205	. 047 814 208
$1\frac{7}{8}$ -----	. 051 369 863	. 051 229 508
2-----	. 054 794 521	. 054 644 809
$2\frac{1}{4}$ -----	. 058 219 178	. 058 060 109
$2\frac{1}{2}$ -----	. 061 643 836	. 061 475 410
$2\frac{3}{8}$ -----	. 065 068 493	. 064 890 710
$2\frac{1}{2}$ -----	. 068 493 151	. 068 306 011
$2\frac{5}{8}$ -----	. 071 917 808	. 071 721 311
$2\frac{3}{4}$ -----	. 075 342 466	. 075 136 612
$2\frac{7}{8}$ -----	. 078 767 123	. 078 551 913
3-----	. 082 191 781	. 081 967 213
$3\frac{1}{4}$ -----	. 085 616 438	. 085 382 514
$3\frac{1}{2}$ -----	. 089 041 096	. 088 797 814
$3\frac{3}{8}$ -----	. 092 465 753	. 092 213 115
$3\frac{1}{2}$ -----	. 095 890 411	. 095 628 415
$3\frac{5}{8}$ -----	. 099 315 068	. 099 043 716
$3\frac{3}{4}$ -----	. 102 739 726	. 102 459 016
$3\frac{7}{8}$ -----	. 106 164 384	. 105 874 317
4-----	. 109 589 041	. 109 289 617
$4\frac{1}{4}$ -----	. 113 013 699	. 112 704 918
$4\frac{1}{2}$ -----	. 116 438 356	. 116 120 219
$4\frac{3}{8}$ -----	. 119 863 014	. 119 535 519
$4\frac{1}{2}$ -----	. 123 287 671	. 122 950 820
$4\frac{5}{8}$ -----	. 126 712 329	. 126 366 120
$4\frac{3}{4}$ -----	. 130 136 986	. 129 781 421
$4\frac{7}{8}$ -----	. 133 561 644	. 133 196 721
5-----	. 136 986 301	. 136 612 022
$5\frac{1}{4}$ -----	. 140 410 959	. 140 027 322
$5\frac{1}{2}$ -----	. 143 835 616	. 143 442 623
$5\frac{3}{8}$ -----	. 147 260 274	. 146 857 923
$5\frac{1}{2}$ -----	. 150 684 932	. 150 273 224
$5\frac{5}{8}$ -----	. 154 109 589	. 153 688 525
$5\frac{3}{4}$ -----	. 157 534 247	. 157 103 825
$5\frac{7}{8}$ -----	. 160 958 904	. 160 519 126
6-----	. 164 383 562	. 163 934 426