

§ 353.28

order to preserve public confidence in dealing with issuing agents.

[63 FR 64551, Nov. 20, 1998]

§ 353.28 Recovery or receipt of bond before or after relief is granted.

(a) If a bond reported lost, stolen, destroyed, or not received, is recovered or received before relief is granted, the Bureau of the Public Debt, Parkersburg, WV 26101, must be notified promptly.

(b) A bond for which relief has been granted is the property of the United States and, if recovered, must be promptly submitted to the Bureau of the Public Debt, Parkersburg, WV 26101, for cancellation.

§ 353.29 Adjudication of claims.

(a) *General.* The Bureau of the Public Debt will adjudicate claims for lost, stolen or destroyed bonds on the basis of records created and regularly maintained in the ordinary course of business.

(b) *Claims filed 10 years after payment.* A bond for which no claim has been filed within 10 years of the recorded date of redemption will be presumed to have been properly paid. If a claim is subsequently filed, a photographic copy of the bond will not be available to support the disallowance.

(c) *Claims filed six years after final maturity.* No claim filed six years or more after the final maturity of a savings bond will be entertained unless the claimant supplies the serial number of the bond.

Subpart G—Interest

§ 353.30 Series EE bonds.

Series EE bonds are issued at a discount. The accrued interest is added to the issue price at stated intervals and is payable only at redemption as part of the redemption value. Information regarding interest rates and redemption values is found in Department of the Treasury Circular, Public Debt Series No. 1-80 (31 CFR part 351).

§ 353.31 Series HH bonds.

(a) *General.* Series HH bonds are current income bonds issued at par (face amount). Interest on a Series HH bond

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is paid semiannually beginning six months from the issue date. Interest ceases at final maturity, or, if the bond is redeemed prior to final maturity, as of the end of the interest period last preceding the date of redemption. For example, if a bond on which interest is payable on January 1 and July 1 is redeemed on September 1, interest ceases as of the preceding July 1, and no interest will be paid for the period from July 1 to September 1. However, if the redemption date falls on an interest payment date, interest ceases on that date. Information regarding interest rates is found in Department of the Treasury Circular, Public Debt Series No. 2-80, current revision (31 CFR part 352).

(b) *Payment of interest.* Series HH bond interest accounts are maintained by the Bureau of the Public Debt, Parkersburg, WV. Interest on bonds issued on or after October 1, 1989 will be paid on each interest due date by the Automated Clearing House (ACH) method to the owner or coowner's account at a financial institution, unless the Bureau determines that extraordinary circumstances warrant payment by check or other means. Interest on bonds issued prior to October 1, 1989, is payable by check drawn to the order of the owner or both coowners or, upon request, by the ACH method to the owner or coowner's account at a financial institution. Checks will be mailed to the delivery address provided to the Bureau. Deposit account information for ACH payments shall be provided on the form designated by the Bureau. Series H interest payments made by the ACH method are governed by the regulations at 31 CFR part 370.

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(c) *Delivery of interest.* Notices affecting the delivery of interest payments. To ensure appropriate action, notices affecting the delivery of interest payments on Series HH bonds must be received by the Bureau of the Public Debt, Parkersburg, WV 26102-1328, at least one month prior to the interest payment date. Each notice must include the owner or coowner's name and the taxpayer identifying number appearing on the account under which records of the bonds are maintained.

(d) *Reissue during interest period.* Physical reissue of a Series HH bond may be made without regard to interest payment dates. The Series HH interest accounts maintained by the Bureau of the Public Debt will be closed in the first week of the month preceding each interest payment date, and payments will be made pursuant to the information contained in the accounts as of the date they are closed.

(e) *Endorsement of checks.* Interest checks must be endorsed in accordance with the regulations governing the payment of fiscal agency checks, as contained in 31 CFR part 355.

(f) *Payment of interest by the ACH method—(1) Submission of deposit account information.* Payments on all Series HH bonds assigned to the same account maintained by the Bureau must be made to the same deposit account at a financial institution.

(2) *Deposit account held by individuals in their own right.* Where the Series HH bonds are registered in the name of individual(s) as sole owner, or as owner and beneficiary, and the deposit account at the financial institution is held in the name of individual(s) in their own right, the owner's name must appear on the deposit account. Where the bonds are registered in the names of two individuals as coowners and the deposit account is held in the name of individual(s) in their own right, the registration of the bonds and the title of the account must contain at least one name that is common to both. The deposit account to which the interest payments are directed should preferably be established in a form identical to the registration of the bonds to ensure that rights of ownership and survivorship can be more easily identified and preserved. Neither the United States nor any Federal Reserve Bank shall be liable for any loss sustained because the interest of the holder(s) of a deposit account to which payments are made are not the same as the owner(s) of the bonds.

(3) *Deposit account held by organization.* Where the deposit account to which interest payments are to be directed is held in the name of the financial institution itself acting as sole trustee, or as co-trustee, or is the name of a commercially-managed investment

fund, the owner or coowner should inquire whether the financial institution is able to receive ACH payments; if not, the owner or coowner should make alternative arrangements.

(4) *Financial institution cannot accept ACH payments.* If after submission of deposit account information, it is determined that ACH payments cannot be accepted by the designated financial institution, pending receipt of new deposit account information, payment will be made by check drawn to the registered owner or both coowners and mailed to the address of record.

(5) *Cancellation of ACH arrangement.*
(i) Bonds issued on or after October 1, 1989. As set forth in paragraph (b) of this section and in the Series HH offering contained in Circular No. 2-80, interest on Series HH bonds issued on or after October 1, 1989, will be paid by the ACH method. In the absence of extraordinary circumstances, a request to discontinue payment by the ACH method in favor of payment by check will not be accepted.

(ii) Bonds issued prior to October 1, 1989. An ACH arrangement established for Series HH bonds issued prior to October 1, 1989, shall remain in effect until it is terminated by a request from the owner or coowner submitted to the Bureau of the Public Debt, Parkersburg, WV 26102-1328.

(6) *Rules.* Series HH interest payments made by the ACH method are governed by the regulations at 31 CFR part 370.

(7) *Nonreceipt or loss of interest payment.* The Bureau of the Public Debt, Parkersburg, WV 26102 should be notified if:

(i) An interest check is not received or is lost after receipt or

(ii) An ACH payment is not credited to the designated account and the financial institution has no record of receiving it. The notice should include the owner or coowner's name and taxpayer identifying number and the interest payment date.

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