

will notify you of the additional amount due, which you will be responsible for remitting immediately. You may owe us such an additional amount if the auction calculations result in a premium or if accrued interest or an inflation adjustment is due.

Subpart D—Miscellaneous Provisions

§ 356.30 When does the Treasury pay principal and interest on securities?

(a) *General.* We will pay principal on bills, notes, and bonds on the maturity date as specified in the auction announcement. Interest on bills consists of the difference between the discounted amount paid by the investor at original issue and the par value we pay

to the investor at maturity. Interest on notes and bonds accrues from the dated date. Interest is payable on a semiannual basis on the interest payment dates specified in the auction announcement through the maturity date. If any principal or interest payment date is a Saturday, Sunday, or other day on which the Federal Reserve System is not open for business, we will make the payment (without additional interest) on the next business day. If a bond is callable, we will pay the principal prior to maturity if we call it under its terms, which include providing appropriate public notice.

(b) *Treasury inflation-protected securities.* (1) This table explains the amount that we will pay to holders of inflation-protected securities at maturity.

At maturity, if . . .	then . . .
(i) the inflation-adjusted principal is equal to or more than the par amount of the security..	we will pay the inflation-adjusted principal.
(ii) the inflation-adjusted principal is less than the par amount of the security, and the security has not been stripped..	we will pay an additional amount so that the additional amount plus the inflation-adjusted principal equals the par amount.
(iii) the inflation-adjusted principal is less than the par amount of the security, and the security has been stripped..	to holders of principal components only we will pay an additional amount so that the additional amount plus the inflation-adjusted principal equals the par amount.

(2) Regardless of whether or not we pay an additional amount, we will base the final interest payment on the inflation-adjusted principal at maturity.

(c) *Discharge of payment obligations—*

(1) *The commercial book-entry system.*

We discharge our payment obligations when we credit payment to the account maintained at a Federal Reserve Bank for a depository institution or other authorized entity, or when we make payment according to the instructions of the person or entity maintaining the account. Further, we do not have any obligations to any person or entity that does not have an account with a Federal Reserve Bank. We also will not recognize the claims of any person or entity:

(i) That does not have an account at a Federal Reserve Bank, or

(ii) With respect to any accounts not maintained at a Federal Reserve Bank.

(2) *TreasuryDirect.* We discharge our payment obligations when we make payment to a depository institution for

credit to the account specified by the owner of the security, or when we make payment according to the instructions of the security's owner or the owner's legal representative.

§ 356.31 How does the STRIPS program work?

(a) *General.* Notes or bonds may be “stripped”—divided into separate principal and interest components. These components must be maintained in the commercial book-entry system. Stripping is done at the option of the holder, and may occur at any time from issuance until maturity. We provide the CUSIP numbers and payment dates for the principal and interest components in auction announcements and on our website at www.publicdebt.treas.gov.

(b) *Treasury fixed-principal securities (notes and bonds other than Treasury inflation-protected securities)—(1) Minimum par amounts required for STRIPS.* The