

of 18 years are to purchase new securities, and to transfer the securities contained in the minor's account to another account in the name and SSN of the minor. The receiving account in the name and SSN of the minor may be a primary account established by the minor, or it may be another minor linked account with the same or a different custodian. The custodian may transfer one or more of the securities at a time, or the custodian may de-link the account and transfer all of the securities contained in the account to the minor's previously established primary New Treasury Direct account. The minor must establish his or her own primary New Treasury Direct account prior to transfer of his or her securities.

(2) In order to gain control of the securities held in the minor's account, the minor must first open his or her own primary account.

(3) The minor may gain control of the securities held in the minor's account by the custodian transferring the securities held in the minor's account to the minor's primary account, or the minor may request that Public Debt transfer the securities to his or her primary account.

(4) The minor may gain control of his or her certificate of indebtedness by the custodian de-linking the account and transferring the certificate of indebtedness to the minor's primary account, or the minor may request that Public Debt de-link the account and transfer the certificate of indebtedness to his or her primary account.

(f) *Liability.* We rely on the certification of the custodian that he or she is acting on behalf of the minor. We are not liable to the minor, or any other person or party acting on behalf of the minor, for the actions of the custodian, nor are we liable for the application of any proceeds from the transfer or redemption of securities held in the minor's account. The custodian agrees to indemnify and hold harmless the United States in the event that we suffer any loss on account of any claim relating to a minor account.

[69 FR 2507, Jan. 16, 2004, as amended at 69 FR 50309, Aug. 16, 2004]

§§ 363.28–363.32 [Reserved]

§ 363.33 Can an attorney-in-fact conduct transactions in my New Treasury Direct account?

(a) An attorney-in-fact who provides a copy of a durable power of attorney granting him or her the authority to conduct New Treasury Direct transactions on behalf of the owner may conduct transactions online.

(b) An attorney-in-fact who provides a copy of a limited power of attorney may only conduct transactions that he or she is permitted by his or her power. Such transactions will be through an offline process.

(c) A written copy of the power of attorney must be sent to the address provided in § 363.5. We may require any additional evidence that we consider necessary to support the power.

§ 363.34 What happens if an owner becomes incompetent after opening a New Treasury Direct account?

If we receive notice that the owner of a New Treasury Direct account has become incompetent, we will suspend all transactions in the account until we establish the authority of another person to act in his or her behalf.

[67 FR 64286, Oct. 17, 2002, as amended at 68 FR 24807, May 8, 2003]

§ 363.35 When is a transaction effective?

A transaction is effective when we post it to our records.

§ 363.36 What securities can I purchase and hold in my New Treasury Direct account?

(a) You can purchase and hold eligible Treasury securities in your account. Eligible securities are Series EE and Series I savings bonds and certificates of indebtedness.

(b) You can hold converted savings bonds in your account.

[70 FR 14943, Mar. 23, 2005]

§ 363.37 How do I purchase eligible Treasury securities to be held in my New Treasury Direct account?

Eligible Treasury securities may only be purchased online through your New Treasury Direct account. Payment for eligible securities other than

§ 363.38

certificates of indebtedness is made by a debit to your designated account at a United States depository financial institution using the ACH method, or using the redemption proceeds of your certificate of indebtedness.

[69 FR 50309, Aug. 16, 2004]

§ 363.38 What happens if my financial institution returns an ACH debit?

If your designated financial institution returns an ACH debit, we reserve the right to reinitiate the debit at our option. We also reserve the right to reverse the transaction, thereby removing the security from your New Treasury Direct account. We are not responsible for any fees your financial institution may charge relating to returned ACH debits.

[69 FR 50309, Aug. 16, 2004]

§ 363.39 Will I receive a confirmation of my request to purchase a Treasury security?

At the time that you submit a request to purchase a Treasury security through your New Treasury Direct account, we will make available a printable online confirmation of your request. Final confirmation will occur when the security is issued into your account. You will not receive a mailed confirmation.

§ 363.40 How are payments of principal and interest made?

(a) *Matured security.* We will purchase a certificate of indebtedness in your name using the proceeds of a matured security. The certificate of indebtedness will be placed in your account.

(b) *Savings bond that is redeemed prior to final maturity.* (1) *Payment.* When you redeem a savings bond and request payment of the proceeds, you must select a specific bank account at a United States depository financial institution for the receipt of your payment. This selected bank account may be the same one that you designated as your primary bank account in your New Treasury Direct account or it may be a different bank account. We will make the payment using the ACH method.

(2) *Purchase of a certificate of indebtedness.* You may elect to purchase a cer-

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tificate of indebtedness in your name using your redemption proceeds.

[70 FR 14943, Mar. 23, 2005]

§ 363.41 What happens if an ACH payment is returned to Public Debt?

We will notify you electronically of the returned payment. We will hold your payment until you provide us with instructions. Returned payments will not earn interest. We reserve the right to redirect a returned payment to the bank account at a financial institution that you have designated in your New Treasury Direct account as your primary bank account, if that account is different from the one that returned the payment to us. We are not responsible for any fees your financial institution may charge relating to returned ACH payments.

[69 FR 50308, Aug. 16, 2004]

§ 363.42 How will my interest income be reported for tax purposes?

When you open your New Treasury Direct account, you consent to receive the appropriate tax reporting forms by electronic means. We will notify you when your tax reporting forms are available. The form will be available in printable form through your New Treasury Direct account. If you withdraw your consent to receive tax reporting forms by electronic means, we reserve the right to redeem any Series I savings bonds held in your account and close your account.

§ 363.43 What are the procedures for certifying my signature on an offline application for a New Treasury Direct account, or on an offline transaction form?

(a) *Certification within the United States.* For certifications within the United States, the certifying individual must be authorized to bind his or her institution by his or her acts, to guarantee signatures to assignments of securities, or to certify assignments of securities. The following table provides a list of authorized certifying individuals and the required evidence of authority. Members of Treasury-recognized signature guarantee programs are for security transfers only.