exact number of days in the half-year (for notes and bonds). *See* the Appendix to subpart E of part 306 of this subchapter for rules regarding computation of interest.

§ 344.5 How do I subscribe for Time Deposit securities?

(a) *Where do I submit transactions?* All subscriptions for purchase, cancellation requests, changes to initial or final subscriptions and notices of redemption must be sent to DSI.

(b) *What requirements apply to initial subscriptions?*

(1) *When is my initial subscription or cancellation due in DSI?* The subscriber must fix the issue date of each security in the initial subscription. The issue date must be a business day. The issue date cannot be more than sixty days after the date DSI receives the initial subscription. To determine when you must send an initial subscription or cancellation request, follow this table:

If:	Then:
(i) The subscription is for:.	DSI must receive an initial subscription (or you can cancel it without penalty):
(A) $10 million or less, or.	at least 5 days before the issue date of the subscription.
(B) Over $10 million.	at least 7 days before the issue date of the subscription.
(ii) The 5th or 7th day before the issue date is a non-business day.	DSI must receive the cancellation request on the preceding business day.
(iii) DSI receives an initial subscription more than 60 days before the issue date.	DSI will not accept an initial subscription.

Example to paragraph (b)(1)*:* If SLGS securities totaling $10 million or less will be issued on March 16th, DSI must receive the initial subscription no later than March 11th. If SLGS securities totaling more than $10 million will be issued on March 16th, DSI must receive the initial subscription no later than March 9th.

(2) *What form is used to submit an initial subscription?* An initial subscription must be submitted on an electronic or paper Treasury form, PD F 4144, ''Subscription for Purchase and Issue of U.S. Treasury Securities State and Local Government Series Time Deposit.''

(3) *Can I submit a letter instead of an initial subscription form?* Yes. If you do not have an initial subscription form under paragraph (b)(2) of this section, then submit a letter to DSI that contains the following information:

(i) The total principal amount;

(ii) The issue date;

(iii) The name and the Taxpayer Identification Number of issuer eligible to purchase SLGS securities;

(iv) The date; and

(v) The signature and title of an official authorized to purchase SLGS securities.

(4) *How do I change an initial subscription?* You can change an initial subscription on or before the issue date, but not later than 3:00 p.m., Eastern time, on the issue date. Changes to an initial subscription are acceptable with the following exceptions:

(i) You cannot change the issue date to require issuance earlier than the issue date originally specified. The issue date can be changed up to seven days after the original issue date. If you make such a change, you should

notify DSI as soon as possible, but no later than 3:00 p.m., Eastern time, one business day before the original issue date;

(ii) You may change the aggregate principal amount specified in the initial subscription up to $10 million or ten percent, whichever is greater;

(iii) You can change an interest rate provided it does not exceed the maximum interest rate in the SLGS rate table that was in effect for a security of comparable maturity on the date the initial subscription was submitted (unless the issuer obtains a higher rate by canceling and resubscribing in compliance with this section); and

(iv) If you submit an untimely change, Treasury, in its sole discretion, can accept the change on an exception basis under § 344.2(n). Whether we accept the change before or after the issue date, the amended information will be applied to the securities. The six-month penalty will be imposed under § 344.2(h). If Treasury waives the six-month penalty, you will be charged a late payment assessment under § 344.2(h)(2).

(5) *When is an initial subscription not required?* No initial subscription is required when a final subscription is received at least five days before the issue date for subscriptions of $10 million or less and at least seven days before the issue date for subscriptions of over $10 million. Such final subscription is treated as the initial subscription for purposes of determining the applicable SLGS rate table under § 344.4(b).

(c) *What requirements apply to final subscriptions?*

(1) *What form is used to submit a final subscription?* You must submit an electronic or paper Treasury form, PD F 4144 ''Subscription for Purchase and Issue of U.S. Treasury Securities State and Local Government Series Time Deposit,'' as a final subscription.

(2) *What information must be contained on the final subscription?* The final subscription must:

(i) be dated and signed by an official authorized to make the purchase;

(ii) include the Taxpayer Identification Number of the issuer;

(iii) be accompanied with a copy of the initial subscription (or if a SLGSafe℠ subscription, the Treasury case number) where applicable;

(iv) separately itemize securities by the various maturities, interest rates, and first interest payment dates (in the case of notes and bonds);

(v) not be more than $10 million or ten percent, whichever is greater, above or below the aggregate principal amount specified in the initial subscription; and

(vi) not be paid with proceeds that are derived, directly or indirectly, from the redemption before maturity of SLGS securities subscribed for on or before December 27, 1976.

(3) *How do I change a final subscription?* You can change a final subscription on or before the issue date in the same fashion as you change an initial subscription under § 344.5(b)(4)(i)–(iv).

(4) *When must I send a final subscription?* DSI must receive a final subscription on or before the issue date, but not later than 3:00 p.m., Eastern time, on the issue date.

§ 344.6 How do I redeem a Time Deposit security before maturity?

(a) *What is the minimum time a security must be held?* To determine how long you must hold a security, follow this table:

If the security is . . .	then, at the owner's option, the security can be redeemed no earlier than . . .
(1) A zero percent certificate of indebtedness of 16 to 29 days.	15 days after the issue date.
(2) A certificate of indebtedness of 30 days or more.	25 days after the issue date.
(3) A note or bond	30 days after the issue date.

(b) *Can I request partial redemption of a security balance?* You may request partial redemptions in any whole dollar amount; however, a security balance of less than $1,000 must be redeemed in total.

(c) *Do I have to submit a notice of early redemption?* Yes. An official authorized to redeem the securities before maturity must submit an electronic or paper notice of redemption. The notice must show the Taxpayer Identification Number of the issuer, the Treasury case number, the security number and the dollar amount of the securities to