

Fiscal Service, Treasury

§ 356.31

dealer through which the customer requested that the position be reported.

[58 FR 414, Jan. 5, 1993, as amended at 59 FR 28775, June 3, 1994]

§ 356.25 Payment for awarded securities.

Payment for securities is to be accomplished by the issue date. Payment will be accomplished as follows:

(a) *Payment with tender.* When payment is made with the tender as provided for in § 356.17 (a)(1) and (b)(1), settlement is accomplished as follows:

(1) *When an amount is due the submitter.* When the payment previously remitted by the submitter exceeds the settlement amount, the balance will be refunded to the submitter following the auction.

(2) *When the submitter must remit an additional amount.* When the settlement amount exceeds the payment previously remitted by the submitter, the submitter will be notified of the additional amount due and is responsible for remitting it immediately. Such additional amount may be due if the auction calculations result in a premium or if accrued interest and/or inflation adjustment is due.

(b) *Payment by authorized electronic means.* Where the method of payment is by an authorized electronic means as provided for in § 356.17 (a)(2) or (b)(2), the settlement amount will be charged to the specified account on the issue date.

(c) *Payment by authorized charge to a funds account.* Where the submitter's method of payment is an authorized charge to the funds account of a depository institution as provided for in § 356.17 (a)(3) or (b)(3), the settlement amount will be charged to the specified funds account on the issue date.

(d) *Amount of payment for awarded securities.* The payment amount for awarded securities will be the settlement amount as defined in § 356.2. (See formulas in appendix B.)

[58 FR 414, Jan. 5, 1993, as amended at 61 FR 54910, Oct. 22, 1996; 62 FR 852, Jan. 6, 1997]

Subpart D—Miscellaneous Provisions

§ 356.30 Payment of principal and interest on notes and bonds.

(a) *General.* Principal on notes and bonds will be paid on the maturity date as specified in the offering announcement unless the security is called pursuant to its terms and in accordance with appropriate public notice. 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 offering announcement through the date that the principal becomes payable. In the event any principal or interest payment date is not a business day, the amount is payable (without additional interest) on the next business day.

(b) *Treasury inflation-indexed securities.* At maturity, the inflation-adjusted principal will be paid, unless the inflation-adjusted principal is less than the par amount of the security, in which case an additional amount will be paid at maturity so that the additional amount plus the inflation-adjusted principal equals the par amount. If a security has been stripped, any such additional amount will be paid at maturity to holders of principal components only. Regardless of whether or not an additional amount is paid, the final interest payment will be based on the inflation-adjusted principal at maturity.

[58 FR 414, Jan. 5, 1993, as amended at 62 FR 852, Jan. 6, 1997]

§ 356.31 STRIPS.

(a) *General.* A note or bond may be designated in the offering announcement, or later by announcement by Treasury, as eligible for the STRIPS program. At the option of the holder, and generally at any time from its issue date until its call or maturity, any such security may be "stripped," i.e., divided into separate principal and interest components. A short or long first interest payment and all interest payments within a callable period are not eligible to be stripped from the