transaction requests through us, except as varied by agreement or as otherwise provided. This part does not apply to transactions for the sale of United States Savings Bonds accomplished through savings bond issuing agents generally, except and to the extent we direct otherwise.

(b) *Operating Rules of the National Automated Clearing House Association and Regulations of the Financial Management Service.* The Operating Rules of the National Automated Clearing House Association generally apply to these transactions. However, the Operating Rules do not apply to the extent that the Operating Rules are preempted entirely and excluded specifically by application of Financial Management Service regulations in part 210 of this chapter. In the event of any inconsistencies between this part 370 and either the Operating Rules or part 210, this part 370 applies.

(c) *Regulations of the Board of Governors of the Federal Reserve.* To the extent that Regulation E (12 CFR part 205) and Regulation Z (12 CFR part 226) of the Board of Governors of the Federal Reserve System apply to transactions authorized by this part, those Federal laws are unaffected by this part 370.

(d) *Variance by agreement.* The terms of this part may be varied by agreement.

§ 370.1 What special terms do I need to know to understand this part?

Automated Clearing House (ACH) entry means a transaction in accordance with the Operating Rules of the National Automated Clearing House Association, as modified by these regulations and other law. The regulations in this part control in the event of any inconsistencies with the applicable Operating Rules.

Credit entry means an ACH entry for the payment of money to a deposit account.

Debit entry means an ACH entry for the collection of money from a deposit account.

Deposit account means a demand deposit (checking), savings, or asset account (other than an occasional or incidental credit balance in a credit plan) held directly or indirectly by a financial institution.

Digital signature means a type of electronic signature. A signer creates a digital signature by using public-key encryption to transform a message digest of an electronic message. If a recipient of the digital signature has an electronic message, message digest function, and the signer's public key, the recipient can verify:

(1) Whether the transformation was accomplished with the private key that corresponds to the signer's public key; and

(2) Whether the electronic message has been altered since the transformation was made.

Electronic message means information that is stored in an electronic medium and is retrievable in perceivable form.

Electronic signature means a signature of an electronic message that:

(1) Identifies and authenticates a particular person as the source of the electronic message; and

(2) Indicates such person's approval of the information contained in the electronic message.

Financial institution means:

(1) Any insured bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) or any bank that is eligible to make application to become an insured bank under section 5 of such Act (12 U.S.C. 1815);

(2) Any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) or any bank that is eligible to make application to become an insured bank under section 5 of such Act (12 U.S.C. 1815);

(3) Any savings bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) or any bank that is eligible to make application to become an insured bank under section 5 of such Act (12 U.S.C. 1815);

(4) Any insured credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752) or any credit union that is eligible to make application to become an insured credit union pursuant to section 201 of such Act (12 U.S.C. 1781);

(5) Any savings association as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) that is an

insured depository institution as defined in that act or is eligible to apply to become an insured depository institution under that act; and

(6) Any Federal branch or agency of a foreign bank as defined in section 1(b) of the International Banking Act, as amended (12 U.S.C. 3101).

Investor account is our record of your *TreasuryDirect* holdings, including a list of your total security holdings, the exact form of registration of your account, your mailing address, your *TreasuryDirect* account number, your social security account number or employer identification number, and your deposit account instructions.

Message digest function means an algorithm that transforms an electronic message into a seemingly unintelligible, generally smaller, result called the message digest. A message digest function has these qualities:

(1) The same electronic message yields the same message digest every time the algorithm is executed;

(2) It is computationally infeasible that an electronic message can be derived from the message digest result produced by the algorithm; and

(3) it is computationally infeasible that two electronic messages can be found that produce the same message digest using the algorithm.

Payment means, for the purpose of this part, funds paid by us to you.

Person means any natural person or organization.

Public-key encryption means a cryptographic process which generates and employs a key pair, consisting of a public key and a different but mathematically related private key. One use of the public key is to verify a digital signature created by the private key.

Security means an obligation offered by the Secretary of the Treasury.

Settlement date means the date an exchange of funds with respect to an ACH entry is reflected on the books of the Federal Reserve Bank(s).

Signature means any symbol or method executed or adopted by a person with present intention to be bound.

We (or ''us'') refers to the Secretary of the Treasury and the Secretary's delegates at the Treasury Department and Bureau of the Public Debt. The term also extends to any fiscal or financial agent acting on behalf of the United States when designated to act by the Secretary or the Secretary's delegates. The term does not extend to United States Savings Bond issuing and paying agents.

You means a deposit account owner, in subparts B and C, unless stated otherwise. The word ''you'' means a person who electronically submits transaction requests through us, in subpart D.

Subpart B—Credit ACH Entries

§ 370.5 How can I appoint a financial institution to receive payments on my behalf?

You must name a financial institution to receive payments through credit entries using the ACH method. You also must identify the deposit account to which payments are to be made. To do this, you must use a form approved by us.

§ 370.6 What requirements apply to a financial institution that handles a credit entry?

A financial institution that accepts and handles a credit entry initiated by us agrees to the provisions of this subpart, and warrants that it will comply with all requirements imposed upon Receiving Depository Financial Institutions under the Operating Rules of the National Automated Clearing House Association, as modified by these regulations and other law.

§ 370.7 How can my financial institution change my designated deposit account?

If your financial institution requests us to make a change in your deposit account number or type of your account, we will change the information without requiring any confirmation from you. The request from the financial institution must be made following the Operating Rules of the National Automated Clearing House Association. The financial institution's request will be deemed an agreement by the institution to indemnify us and you for any loss resulting from the requested change.