(2) Section 344.7(b)—This section provides that the principal amount to be invested may be changed without penalty on or before the issue date, but no later than 1:00 p.m., Eastern time, on the issue date. This final rule allows for sending of amendments to original subscriptions by facsimile, provided the notification is clearly identified as an amendment and is immediately followed by the submission, by mail or other carrier, of written notification of the amendment. Where an amendment is not submitted timely, the Division of Special Investments may determine, pursuant to the provisions governing waiver of regulations set forth under 31 CFR 306.126, that such an amendment is acceptable on an exception basis. Where an amendment is determined to be acceptable on an exception basis, the amended information shall be used as the basis for issuing the securities, and an administrative fee of \$100 per subscription will be assessed. The Secretary reserves the right to reject amendments which are not submitted

(3) Section 344.8(a)—In this section, the Bureau of the Public Debt is substituted for the Federal Reserve Banks to reflect the consolidation of program activities in Parkersburg, WV. This final rule requires that full payment for each subscription be submitted utilizing the Fedwire funds

transfer system.

(4) Section 344.8(b)—The 1989 regulations provided that any subscriber which fails to make settlement on a subscription once submitted is ineligible thereafter to subscribe for securities under this offering for a period of six months. Under this final rule, the Division of Special Investments may determine to waive the six month penalty, pursuant to the provisions governing waiver of regulations set forth under 31 CFR 306.126. Where settlement occurs after the proposed issue date and the Division of Special Investments determines, pursuant to 31 CFR 306.126, that such settlement is acceptable on an exception basis, the six month penalty will be waived, and the subscriber shall be subject to a late payment assessment. The assessment will include payment of an amount equal to the amount of interest that would have accrued on the securities from the proposed issue date to the date of settlement, as well as an administrative fee of \$100 per subscription. Assessments under this subsection are due on demand. Failure to pay an assessment shall render the subscriber ineligible thereafter to subscribe for securities under this offering until the assessment is paid.

(5) Section 344.9(b)—The Bureau of the Public Debt is substituted for the Federal Reserve Banks to reflect the consolidation of program activities in Parkersburg, WV. This final rule expressly allows for sending of the notice of redemption by facsimile or by other carriers. The notice must show the account number and the tax identification number of the subscriber. Under this section, the notice must be received at the Bureau of the Public Debt by 1:00 p.m., Eastern time, one business day prior to the requested redemption date.

### Subpart D—Special Zero Interest Securities

To give investors flexibility in investing certain proceeds that may become subject to yield restrictions, a new special zero interest security was offered for the first time with the 1989 rule. Under the terms of this offering, subscribers are not required to certify that as of the date of investment all the proceeds subject to yield restrictions are being invested in SLGS securities. With exceptions, this offering is the same as that for time deposit securities.

Noteworthy changes from the 1989 rule are as follows:

Section 344.13—This final rule adds a reference to a designated Treasury form and deletes a reference to wire as an authorized means of submitting notice for redemption prior to maturity. The agency's Parkersburg, WV, address is substituted for its former Washington, DC, address. In addition, the section allows for sending of the notice for redemption by facsimile or by other carriers. Under this final rule, notice is to be submitted no less than 15 calendar days and no more than 60 calendar days before the requested redemption date.

## Procedural Requirements

It has been determined that this rule is not a significant regulatory action as defined in Executive Order 12866. Therefore, the regulatory review procedures contained therein do not apply.

Although this final rule was issued in proposed form to secure the benefit of public comment, the rule relates to matters of public contract and procedures for U.S. securities, as well as the borrowing power and fiscal authority of the United States.

Accordingly, pursuant to 5 U.S.C. 553(a)(2), the notice, public comment, and delayed effective date provisions of the Administrative Procedure Act are inapplicable. As no notice of proposed rulemaking was required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601, et seq.) do not apply.

The collections of information contained in this final rule have been previously reviewed and approved by the Office of Management and Budget, in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1535–0091. The rule does not impose a new collection of information requirement.

## List of Subjects in 31 CFR Part 344

Bonds, Government securities, Securities.

Dated: January 17, 1995.

# Gerald Murphy,

Fiscal Assistant Secretary.

For the reasons set out in the preamble, 31 CFR Chapter II, Subchapter B, Part 344 is revised to read as follows:

PART 344—REGULATIONS
GOVERNING UNITED STATES
TREASURY CERTIFICATES OF
INDEBTEDNESS—STATE AND LOCAL
GOVERNMENT SERIES, UNITED
STATES TREASURY NOTES—STATE
AND LOCAL GOVERNMENT SERIES,
AND UNITED STATES TREASURY
BONDS—STATE AND LOCAL
GOVERNMENT SERIES

#### Subpart A—General Information

Sec.

344.0 Offering of securities.

344.1 General provisions.

#### Subpart B—Time Deposit Securities

344.2 Description of securities.

344.3 Subscription for purchase.344.4 Issue date and payment.

344.5 Redemption.

# **Subpart C—Demand Deposit Securities**

344.6 Description of Securities.

344.7 Subscription for purchase.

344.8 Issue date and payment.

344.9 Redemption.

# Subpart D—Special Zero Interest Securities

344.10 General.

344.11 Description of securities.

344.12 Subscription for purchase.

344.13 Redemption.

Appendix A to Part 344—Early Redemption Market Change Formulas and Examples

Authority: 31 U.S.C. 3102, et seq.

# **Subpart A—General Information**

## § 344.0 Offering of securities.

(a) In order to provide issuers of tax exempt securities with investments which allow them to comply with yield restriction and arbitrage rebate provisions of the Internal Revenue Code, the Secretary of the Treasury offers for sale the following State and Local Government Series securities:

(1) Time deposit securities: