

and defense and other public purposes authorized by law” because they are inclusive and for consistency. The words “under section 3111 of this title” are substituted for “at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States” because of the restatement. The words “prescribe conditions under section 3121 of this title” are substituted for the text of 31:752(2d par. 1st sentence less form of bonds, 2d sentence) because of the restatement. The words “at any annual interest rate” are added for clarity and to more precisely define the 4.25 percent limitation. The words “bonds may not be issued under this section to the public, or sold by a Government account to the public, with a rate of interest exceeding 4¼ per centum per annum in an amount which would cause” are omitted as surplus.

In subsections (b), (d), and (e), the words “not less than par” are omitted as superseded by section 3 of the Public Debt Act of 1942 (ch. 205, 56 Stat. 189), restated in section 3121 of the revised title.

In subsection (b), the words “under regulations of the Secretary that allow” are substituted for “under such regulations, prescribed by the Secretary of the Treasury from time to time, as will in his opinion give” to eliminate unnecessary words. The words “subscribing to the offered bonds” are substituted for “therein” for clarity. The words “However . . . when the Secretary decides the other way is in the public interest” are substituted for “Notwithstanding the provisions of the foregoing paragraph, the Secretary of the Treasury may from time to time, when he deems it to be in the public interest” to eliminate unnecessary words.

In subsection (c)(1), before clause (A), the words “and may from time to time adopt any or all of said methods, should any such action” in 31:752(3d par. 1st sentence words between 4th comma and proviso) are omitted because of the restatement. The word “decides” is substituted for “deemed” in 31:752(3d par. 1st sentence words between 4th comma and proviso) and “deems” in 31:752a(4th par. related to allotments) for consistency. The words “in making a bond offering under this section” are added for clarity.

In subsection (c)(2), the word “regulations” is substituted for “general rules” for consistency in the revised title and with other titles of the United States Code.

In subsection (d), the words “members of armed forces” are substituted for “persons in the military or naval forces of the United States” for clarity and consistency with title 10.

1983 ACT

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3102(a)	31 App.752(2d par. less form of bonds).	Sept. 3, 1982, Pub. L. 97-248, § 289(c), 96 Stat. 572.

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-647 struck out at end: “However, the face amount of bonds issued under this section and held by the public with interest rates of more than 4.25 percent a year may not be more than \$270,000,000,000.”

1987—Subsec. (a). Pub. L. 100-203 substituted “\$270,000,000,000” for “\$250,000,000,000”.

1986—Subsec. (a). Pub. L. 99-272 substituted “\$250,000,000,000” for “\$200,000,000,000”.

1984—Subsec. (a). Pub. L. 98-302 substituted “\$200,000,000,000” for “\$150,000,000,000”.

1983—Subsec. (a). Pub. L. 98-34 substituted “\$150,000,000,000” for “\$110,000,000,000”.

Pub. L. 97-452 substituted “\$110,000,000,000” for “\$70,000,000,000”.

§ 3103. Notes

(a) With the approval of the President, the Secretary of the Treasury may borrow on the

credit of the United States Government amounts necessary for expenditures authorized by law and may issue notes of the Government for the amounts borrowed and may buy, redeem, and make refunds under section 3111 of this title. The Secretary may prescribe conditions under section 3121 of this title. Notwithstanding section 3121(a)(5) of this title, the payment date of each series of notes issued shall be at least one year but not more than 10 years from the date of issue.

(b) The Government may redeem any part of a series of notes before maturity by giving at least 4 months’ notice but not more than one year’s notice.

(c) The holder of a note of one series issued under this section with the same issue date as another series of notes issued under this section may convert, at par value, a note of the holder for a note of the other series.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 939.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3103(a), (b).	31:753(a)(less form of notes, certificates of indebtedness, and Treasury bills).	Sept. 24, 1917, ch. 56, 40 Stat. 288, § 18(a)(less form of notes, certificates of indebtedness, and Treasury bills); added Mar. 3, 1919, ch. 100, § 1, 40 Stat. 1309; Nov. 23, 1921, ch. 136, § 1401, 42 Stat. 321; Jan. 30, 1934, ch. 6, § 14(a)(3), 48 Stat. 343; restated Feb. 4, 1935, ch. 5, § 4, 49 Stat. 20; June 30, 1967, Pub. L. 90-39, § 4, 81 Stat. 99; Mar. 15, 1976, Pub. L. 94-232, § 3(b), 90 Stat. 217.
3103(c)	31:753(c).	Sept. 24, 1917, ch. 56, 40 Stat. 288, § 18(c); added Mar. 3, 1919, ch. 100, § 1, 40 Stat. 1310.

In subsection (a), the words “In addition to the bonds and certificates of indebtedness and war-savings certificates authorized by this Act, and amendments thereto” are omitted as unnecessary. The words “subject to the limitation imposed by section 757b of this title” are omitted as surplus. The word “Government” is added for consistency. The words “for expenditures authorized by law” are substituted for “for the purposes of this Act . . . and to meet public expenditures authorized by law” for clarity and because they are inclusive. The words “under section 3111 of this title” are substituted for “at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States” because of the restatement. The words “denomination or denominations” are omitted because section 3121(a) of the revised title consolidates this authority in one section for the various types of debt instruments. The words “under section 3121 of this title” are substituted for “containing such terms and conditions, and at such rate or rates of interest” because of the restatement. The words “at not less than par (except as provided in section 754b of this title)” are omitted as superseded by section 3 of the Public Debt Act of 1942 (ch. 205, 56 Stat. 189), restated in section 3121 of the revised title. The words “Notwithstanding section 3121(a)(5) of this title” are added for clarity because the section cited contains the general authority to which subsection (a)(last sentence) of this section is an exception.

In subsection (b), the words “at the option of” and “and under such rules and regulations and during such period as he may prescribe” are omitted as surplus.

Subsection (c) is substituted for 31:753(c) to eliminate unnecessary words and for clarity and consistency.

§ 3104. Certificates of indebtedness and Treasury bills

(a) The Secretary of the Treasury may borrow on the credit of the United States Government amounts necessary for expenditures authorized by law and may buy, redeem, and make refunds under section 3111 of this title. For amounts borrowed, the Secretary may issue—

- (1) certificates of indebtedness of the Government; and
- (2) Treasury bills of the Government.

(b) The Secretary may prescribe conditions for issuing certificates of indebtedness and Treasury bills under section 3121 of this title and conditions under which the certificates and bills may be redeemed before maturity. Notwithstanding section 3121(a)(5) of this title, the payment date of certificates of indebtedness and Treasury bills may not be more than one year after the date of issue.

(c) Treasury bills issued under this section may not be accepted before maturity to pay principal or interest on obligations of governments of foreign countries that are held by the United States Government.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 939.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3104(a)	31:754(a)(1st, 2d sentences).	Sept. 24, 1917, ch. 56, §5(a)(less form of certificates of indebtedness and Treasury bills, finality), 40 Stat. 290; Apr. 4, 1918, ch. 44, §4, 40 Stat. 504; Mar. 3, 1919, ch. 100, §3, 40 Stat. 1311; re-stated June 17, 1929, ch. 26, 46 Stat. 19; Feb. 4, 1935, ch. 5, §§2, 3, 49 Stat. 20.
3104(b)	31:754(a)(3d sentence)(less form of certificates of indebtedness and Treasury bills, finality).	
3104(c)	31:754(a)(last sentence).	

In subsection (a), before clause (1), the words “In addition to the bonds and notes authorized by sections 752, 753, and 757c of this title” are omitted as unnecessary. The words “subject to the limitation imposed by section 757b of this title” are omitted as surplus. The words “for expenditures authorized by law” are substituted for “for the purposes of this Act . . . and to meet public expenditures authorized by law” for clarity and because they are inclusive. The words “under section 3111 of this title” are substituted for “at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States” because of the restatement. The words “at not less than par” are omitted as superseded by section 3 of the Public Debt Act of 1942 (ch. 205, 56 Stat. 189), restated in section 3121 of the revised title. The text of 31:754(a)(2d sentence) is omitted as superseded by section 3121(a) of the revised title. In clause (1), the words “and at such rate or rates of interest, payable at such time or times as he may prescribe” are omitted because they are superseded by section 3121(a), (b)(1), and (c) of the revised title. In clause (2), the words “on a discount basis and payable at maturity without interest” are omitted because they are superseded by section 3121(a) of the revised title. The words “of the Government” are added for consistency.

In subsection (b), the words “terms and” after “upon such” are omitted as surplus. The words “for issuing . . . under section 3121 of this title” are substituted for

“subject to such terms and conditions” because of the restatement. The words “Notwithstanding section 3121(a)(5) of this title” are substituted for “shall be payable at such time” for clarity because the section cited contains the general authority to which subsection (c)(last sentence) of this section is an exception.

In subsection (c), the words “account of” are omitted as surplus.

§ 3105. Savings bonds and savings certificates

(a) With the approval of the President, the Secretary of the Treasury may issue savings bonds and savings certificates of the United States Government and may buy, redeem, and make refunds under section 3111 of this title. Proceeds from the bonds and certificates shall be used for expenditures authorized by law. Savings bonds and certificates may be issued on an interest-bearing basis, on a discount basis, or on an interest-bearing and discount basis. Savings bonds shall mature not more than 20 years from the date of issue. Savings certificates shall mature not more than 10 years from the date of issue. The difference between the price paid and the amount received on redeeming a savings bond or certificate is interest under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

(b)(1) The Secretary may—

(A) fix the investment yield for savings bonds; and

(B) change the investment yield on an outstanding savings bond, except that the yield on a bond for the period held may not be decreased below the minimum yield for the period guaranteed on the date of issue.

(2) The Secretary may prescribe regulations providing that—

(A) owners of savings bonds may keep the bonds after maturity or after a period beyond maturity during which the bonds have earned interest and continue to earn interest at rates consistent with paragraph (1) of this subsection; and

(B) savings bonds earning a different rate of interest before the regulations are prescribed shall earn a rate of interest consistent with paragraph (1).

(c) The Secretary may prescribe for savings bonds and savings certificates issued under this section—

(1) the form and amount of an issue and series;

(2) the way in which they will be issued;

(3) the conditions, including restrictions on transfer, to which they will be subject;

(4) conditions governing their redemption;

(5) their sales price and denominations;

(6) a way to evidence payments for or on account of them and to provide for the exchange of savings certificates for savings bonds; and

(7) the maximum amount issued in a year that may be held by one person.

(d) The Secretary may authorize financial institutions to make payments to redeem savings bonds and savings notes. A financial institution may be a paying agent only if the institution—

(1) is incorporated under the laws of the United States, a State, the District of Columbia, or a territory or possession of the United States;