

117TH CONGRESS
1ST SESSION

S. 2854

To allow for the transfer and redemption of abandoned savings bonds.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27, 2021

Mr. KENNEDY (for himself, Mr. MORAN, Mr. WHITEHOUSE, Mr. YOUNG, Mr. BROWN, Mr. CASSIDY, Ms. SMITH, Mr. BRAUN, Mr. RUBIO, Mr. RISCH, and Mr. KING) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To allow for the transfer and redemption of abandoned savings bonds.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Unclaimed Savings
5 Bond Act of 2021”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Tens of billions of dollars’ worth of savings
9 bonds have never been redeemed by their owners, in-
10 cluding millions of bonds that matured years and

1 even decades ago. The Department of the Treasury
2 refers to these bonds as Matured Unredeemed Debt
3 (“MUD”).

4 (2) The United States savings bond program
5 was created to fund critical government operations
6 during times of national need while guaranteeing to
7 citizens the promise of a safe return.

8 (3) The States are the traditional custodians of
9 abandoned property and are best positioned to help
10 owners of abandoned bonds recover the proceeds of
11 their investment.

12 (4) Until abandoned property is claimed, the
13 States are able to devote unclaimed funds to the
14 health and welfare of their citizens.

15 (5) Allowing States to utilize the proceeds of
16 abandoned savings bonds provides them with liquid-
17 ity and the ability to serve their citizens without in-
18 creasing the Federal deficit.

19 **SEC. 3. TRANSFER AND REDEMPTION OF ABANDONED SAV-**
20 **INGS BONDS.**

21 Section 3105 of title 31, United States Code, is
22 amended by adding at the end the following:

23 “(f)(1) Notwithstanding any other Federal law, the
24 ownership of an applicable savings bond may be trans-
25 ferred pursuant to a valid judgment of escheatment vest-

1 ing a State with title to the bond. Nothing in this section,
2 or in any regulation promulgated by the Secretary to im-
3 plement this section, may be construed to preempt State
4 law providing for, or governing the escheatment of, appli-
5 cable savings bonds.

6 “(2) The Secretary shall recognize an order of a court
7 of competent jurisdiction that vests title to an applicable
8 savings bond with a State, regardless of whether the State
9 has possession of such bond if the State provides the Sec-
10 retary with a certified copy of such order.

11 “(3)(A) If a State has title or is seeking to obtain
12 title through a judicial proceeding to an applicable savings
13 bond, the Secretary shall provide to the State, upon re-
14 quest, the serial number of such bond, and any reasonably
15 available records or information—

16 “(i) relating to the purchase or ownership of
17 such bond, including any transactions involving such
18 bond; or

19 “(ii) which may provide other identifying infor-
20 mation relating to such bond.

21 “(B) Any records or information provided to a State
22 pursuant to subparagraph (A) shall be considered suffi-
23 cient to enable the State to redeem the applicable savings
24 bond for full value, regardless whether the bond is lost,

1 stolen, destroyed, mutilated, defaced, or otherwise not in
2 the State's possession.

3 “(4)(A) Subject to subparagraph (C), a State may
4 redeem and receive payment for an applicable savings
5 bond for which the State has title pursuant to the same
6 procedures established pursuant to regulations which are
7 available for payment or redemption of a savings bond by
8 any owner of such bond.

9 “(B) The Secretary may not prescribe any regulation
10 which prevents or prohibits a State from obtaining title
11 to an applicable savings bond or redeeming such bond pur-
12 suant to the procedures described in subparagraph (A).

13 “(C) In the case of an applicable savings bond which
14 is lost, stolen, destroyed, mutilated, defaced, or otherwise
15 not in the possession of the State, if the State has re-
16 quested records and information under paragraph (3)(A),
17 any applicable period of limitation for payment or redemp-
18 tion of such bond shall not begin to run against the State
19 until the date on which the Secretary has provided the
20 State with the records and information described in such
21 paragraph.

22 “(5) If the United States Government makes pay-
23 ment to a State for an applicable savings bond pursuant
24 to paragraph (4)—

1 “(A) that State shall attempt to locate the
2 original owner of each such bond registered with an
3 address in that State pursuant to the same stand-
4 ards and requirements as exist under that State’s
5 abandoned property rules and regulations;

6 “(B) except as provided in subparagraph (C),
7 the United States Government shall not retain any
8 further obligation or liability relating to such bond,
9 including any obligation or liability with respect to
10 the registered owner of such bond (as described in
11 paragraph (6));

12 “(C) should a State that receives payment for
13 an applicable savings bond pursuant to paragraph
14 (4) fail to make payment to a registered owner of
15 such bond (as described in paragraph (6)(B)) after
16 presentment of a valid claim of ownership pursuant
17 to that State’s abandoned property rules and regula-
18 tions, such owner may then seek redemption of their
19 bond through the Secretary or any paying agent au-
20 thorized by the United States Government to make
21 payments to redeem such bonds, and it shall be
22 paid; and

23 “(D) where the United States Government has
24 made payment of an applicable savings bond under
25 subparagraph (C), the respective State shall indem-

1 nify the United States for payments made on such
2 bond.

3 “(6) For purposes of this subsection, the term ‘appli-
4 cable savings bond’ means any United States savings bond
5 that—

6 “(A) matured on or before December 31, 2017;

7 “(B) is registered to an owner with a last
8 known address within a State claiming title under a
9 valid escheatment order entered after December 31,
10 2012, and before January 2026; and

11 “(C) has not been redeemed by such owner.”.

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