

Statistics of the Department of Labor. We use the CPI as the basis for adjusting the principal amounts of inflation-protected securities. (See Appendix D)

*Corpus* means the principal component of a security that has been stripped of its interest components.

*CUSIP number* means the unique identifying number assigned to each separate security issue and each separate STRIPS component. CUSIP numbers are provided by the CUSIP Service Bureau of Standard & Poor's Corporation. CUSIP is an acronym for Committee on Uniform Securities Identification Procedures.

*Customer* means a bidder that directs a depository institution or dealer to submit or forward a bid for a specific amount of securities in a specific auction on the bidder's behalf. Only depository institutions and dealers may submit bids for customers directly to us, or forward them to another depository institution or dealer.

*Dated date* means the date from which interest accrues for notes and bonds. The dated date and issue date are usually the same. In those cases where interest begins accruing prior to the issue date, however, the dated date will be prior to the issue date. An example is when the dated date is a Saturday and the issue date is the following Monday.

*Dealer* means an entity that is registered or has given notice of its status as a government securities broker or government securities dealer under Section 15C(a)(1) of the Securities Exchange Act of 1934.

*Depository institution* means:

(1) An entity described in Section 19(b)(1)(A), excluding subparagraph (vii), of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)).

(2) Any agency or branch of a foreign bank as defined by the International Banking Act of 1978, as amended (12 U.S.C. 3101).

*Discount* means the difference between par and the price of the security, when the price is less than par. (See Appendix B for formulas and examples.)

*Discount amount* means the discount divided by 100 and multiplied by the par amount. (See Appendix B for formulas and examples.)

*Discount rate* means a rate of return, on an annual basis, on bills held until they mature. The discount rate is expressed in percentage terms and based on a 360-day year. It is also referred to as the "bank discount rate." (See Appendix B for formulas and examples.)

*Funds account* means a cash account maintained by a depository institution at a Federal Reserve Bank.

*Index* means the Consumer Price Index.

*Index ratio* means, for an inflation-protected security, the Reference CPI of a particular date divided by the Reference CPI of the original issue date. (When the dated date is different from the original issue date, the denominator of the index ratio is the Reference CPI of the dated date rather than that of the original issue date.)

*Inflation-adjusted principal* means, for an inflation-protected security, the value of the security derived by multiplying the par amount by the applicable index ratio as described in Appendix B, section I, paragraph B.

*Interest rate* means the annual percentage rate of interest paid on the par amount (or the inflation-adjusted principal) of a specific issue of notes or bonds. (See Appendix B for methods and examples of interest calculations on notes and bonds.)

*Intermediary* means a depository institution or dealer that forwards bids for customers to another depository institution or dealer. An intermediary does not submit bids directly to us.

*Issue date* means the date specified in the auction announcement on which we issue a security as an obligation of the United States. Interest normally begins to accrue on a security's issue date.

*Marketable security* means a security that may be bought, sold and transferred in the secondary market.

*Maturity date* means the date on which a security becomes due and payable, and ceases to earn interest. The maturity date is specified in the auction announcement.

*Minimum to bid* means the smallest amount of a security that may be bid for in an auction as stated in the auction announcement.

*Multiple to bid* means the smallest additional amount of a security that may be bid for in an auction as stated in the auction announcement.

*Noncompetitive bid* means a bid to purchase a stated par amount of securities at the yield or discount rate awarded to competitive bidders.

*Offering amount* means the par amount of securities we are offering to the public for purchase in an auction, as specified in the auction announcement.

*Par* means a price of 100. (See Appendix B)

*Par amount* means the stated value of a security at original issuance.

*Person* means a natural person.

*Premium* means the difference between par and the price of the security, when the price is greater than par.

*Premium amount* means the premium divided by 100 and multiplied by the par amount.

*Price* means the price of a security as calculated using the formulas in Appendix B.

*Real yield* means, for an inflation-protected security, the yield based on the payment stream in constant dollars. In other words, the real yield is the yield in the absence of inflation.

*Reference CPI* (Ref CPI) means, for an inflation-protected security, the index number applicable to a given date. (See Appendix B, section I, paragraph B)

*Reopening* means the auction of an additional amount of an outstanding security.

*Security* means a Treasury bill, note, or bond, each as described in this part. Security also means any other obligation we issue that is subject to this part according to its auction announcement. Security includes an interest or principal component under the STRIPS program.

*Settlement* means final and complete payment for securities awarded in an auction and delivery of those securities.

*Settlement amount* means the total of the par amount of securities awarded, less any discount amount or plus any premium amount, and plus any accrued interest. For inflation-protected securities, the settlement amount also includes any inflation adjustment when such securities are reopened or when the dated date is different from the issue date.

*STRIPS* (Separate Trading of Registered Interest and Principal of Securities) means our program under which eligible securities are authorized to be separated into principal and interest components, and transferred separately. These components are maintained and transferred in the commercial book-entry system.

*Submitter* means a person or entity submitting bids directly to us for its own account, for customer accounts, or both. Only depository institutions and dealers are permitted to submit bids for customer accounts. We permit investment advisers to submit bids on behalf of controlled accounts.

*TINT* means an interest component from a stripped security.

*TreasuryDirect®* means the TreasuryDirect Book-Entry Securities System. (See 31 CFR 357, subpart C)

*We* (or "us") means the Secretary of the Treasury and his or her delegates, including the Department of the Treasury, Bureau of the Public Debt, and their representatives. The term also includes Federal Reserve Banks acting as fiscal agents of the United States.

*Yield* means the annualized rate of return to maturity on a fixed-principal security. Yield is expressed as a percentage. For an inflation-protected