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

**IN THE SENATE OF THE UNITED STATES**

Mr. Kennedy (for himself, Mr. Moran, Mr. Whitehouse, Mr. Young, Mr. Brown, Mr. Cassidy, Ms. Smith, Mr. Braun, Mr. Rubio, and Mr. Risch) introduced the following bill; which was read twice and referred to the Committee on ________

**A BILL**

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

**Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,**

**SECTION 1. SHORT TITLE.**

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

**SEC. 2. FINDINGS.**

Congress finds the following:

(1) Tens of billions of dollars’ worth of savings bonds have never been redeemed by their owners, including millions of bonds that matured years and
even decades ago. The Department of the Treasury refers to these bonds as Matured Unredeemed Debt (“MUD”).

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

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

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

(5) Allowing States to utilize the proceeds of abandoned savings bonds provides them with liquidity and the ability to serve their citizens without increasing the Federal deficit.

SEC. 3. TRANSFER AND REDEMPTION OF ABANDONED SAVINGS BONDS.

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

“(f)(1) Notwithstanding any other Federal law, the ownership of an applicable savings bond may be transferred pursuant to a valid judgment of escheatment vest-
ing a State with title to the bond. Nothing in this section, or in any regulation promulgated by the Secretary to implement this section, may be construed to preempt State law providing for, or governing the escheatment of, applicable savings bonds.

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

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

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

“(ii) which may provide other identifying information relating to such bond.

“(B) Any records or information provided to a State pursuant to subparagraph (A) shall be considered sufficient to enable the State to redeem the applicable savings bond for full value, regardless whether the bond is lost,
stolen, destroyed, mutilated, defaced, or otherwise not in
the State’s possession.

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

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

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

“(5) If the United States Government makes pay-
ment to a State for an applicable savings bond pursuant
to paragraph (4)—
“(A) that State shall attempt to locate the original owner of each such bond registered with an address in that State pursuant to the same standards and requirements as exist under that State’s abandoned property rules and regulations;

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

“(C) should a State that receives payment for an applicable savings bond pursuant to paragraph (4) fail to make payment to a registered owner of such bond (as described in paragraph (6)(B)) after presentment of a valid claim of ownership pursuant to that State’s abandoned property rules and regulations, such owner may then seek redemption of their bond through the Secretary or any paying agent authorized by the United States Government to make payments to redeem such bonds, and it shall be paid; and

“(D) where the United States Government has made payment of an applicable savings bond under subparagraph (C), the respective State shall indem-
nify the United States for payments made on such
bond.

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

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

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

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