

JUSTIFICATION:

TreasuryDirect is an internet-accessed system that enables investors to purchase the full range of Treasury securities and manage their holdings in a single account. TreasuryDirect allows investors to establish a direct relationship with Treasury and to purchase and manage their investments online. In an effort to mitigate the risk of fraud for sensitive TreasuryDirect transactions, we will limit the ability of TreasuryDirect customers to process certain transactions online. We will introduce a paper process to enhance transactional security. The use of certified paper forms to complete sensitive transactions will help to mitigate the risks of fraudulent requests. This change will strengthen the security of the TreasuryDirect program, which is critical to effective and efficient debt management. It will also fulfill retail customer expectations for a secure system in which to maintain all of their Treasury holdings.

Implementation of this new procedure will not increase burden hours. We are still collecting the same information from the customer. The customer will just be providing the information on a form rather than entering the information into the system.

Usage Estimates:

Bank updates - 205 updates per day X 365 days = 74,825 bank updates per year

Internal transfers - 79 internal transfers per day X 365 days = 28,835 internal transfers per year

External transfers - 5 external transfers per day X 365 days = 1,825 external transfers per year

Implementation of this new procedure has been targeted for June 28, 2007.