

FEDERAL RESERVE BANK OF CHICAGO

GOVERNMENT BOND DEPARTMENT

ROOM 361-209 SO. LA SALLE ST.

S. B. CRAMER, ASST. CASHIER
D. A. JONES, ASST. CASHIER
A. H. VOGT, ACTING ASST. CASHIER

ADDRESS ALL COMMUNICATIONS
RELATIVE TO GOVERNMENT BONDS
P. O. BOX 805

Circular No. 94
July 23, 1918

BOND CONVERSIONS VS. BOND EXCHANGES

TO THE BANK OR TRUST COMPANY ADDRESSED:

It is highly important that every bank and trust company carefully differentiate between the conversion of First and Second Liberty Loan bonds into 4 1/4% bonds and the exchange of bonds of the First, Second or Third Liberty Loan into bonds of the same issue, bearing the same rate of interest as the bonds surrendered. The operations are entirely separate and different sets of forms are provided.

Forms 310, 310A, 310B, 311, 311A, 311B, 312, 312A, 312B and 313 are for use in connection with bond CONVERSIONS, meaning the conversion of First and Second Loan bonds into 4 1/4% bonds.

The bond EXCHANGE and TRANSFER forms are numbered from 1028 to 1033 inclusive, and cannot be used for conversion of lower rate bonds into 4 1/4% bonds.

If the wrong form is used it will usually be necessary for us to return the shipment at the shipper's expense.

When lower rate bonds are sent us for conversion into 4 1/4% bonds, you must stamp the name of your bank on each bond, being careful in case of registered bonds not to stamp over the assignment.

When coupon bonds are sent us for exchange for other bonds, bearing the same rate of interest as the bonds surrendered, you must not mutilate the bonds by stamping thereon the name of your bank, as bonds received on exchanges of denominations are frequently re-issued.

FEDERAL RESERVE BANK OF CHICAGO
Government Bond Department.