

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 3, 1941

To Designated Agents for the Issuance of Defense Savings Bonds, Series E:

There is enclosed a copy of the First Amendment to Treasury Department Circular No. 657. The amendment provides a basis for determining the maximum amount of Series E bond stock, which, under normal circumstances, a designated issuing agent may obtain or retain without the pledge of collateral security.

Any designated issuing agent which is, and continues to be, insured by the Federal Deposit Insurance Corporation, or which is, and continues to be, insured by the Federal Savings and Loan Insurance Corporation, or any other acceptable State insurance corporation, system or fund, the members of which are subject to Federal or State supervision, examination and liquidation, which files an Application-Trust Agreement on Form 384-A with this bank may apply for Defense Savings Bond stock, Series E, sufficient to meet its requirements without the pledge of collateral security therefor. The aggregate amount of stock that may be maintained at any one time is set forth in the amendment.

There are also enclosed two copies of Form 384-A, Application-Trust Agreement, one of which should be submitted by each designated issuing agent which desires to obtain or retain a supply of Series E bond stock without the pledge of collateral security. Upon approval, this bank will issue a certificate of qualification to the issuing agent.

Whenever issuing agents are supplied with bond stock without the pledge of collateral security, each such agent will be required to make remittances and reports of sales at least once each week and at such other times as the proceeds on hand exceed \$5,000.

If issuing agents which are qualified to obtain bond stock without the pledge of collateral security have branches, they may arrange for their branches to be supplied directly with bond stock, upon the understanding that the total amount of stock to be supplied the bank and its branches will not exceed the maximum amount fixed by the amendment.

Yours very truly,

R. R. GILBERT

President

TITLE 31—MONEY AND FINANCE
CHAPTER II—BUREAU OF ACCOUNTS
PART 317—REGULATIONS GOVERNING AGENCIES FOR THE
ISSUE OF DEFENSE SAVINGS BONDS, SERIES E

1941
First Amendment
Department Circular No. 657

Fiscal Service
Bureau of Accounts

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, October 2, 1941.

Treasury Department Circular No. 657, dated April 15, 1941, is hereby amended by deleting the last paragraph of section 3 (Qualification of issuing agent—) of the Circular appearing also as the last paragraph of section 317.3, Title 31, Part 317 of the Code of Federal Regulations of the United States of America, and inserting in lieu thereof the following:

QUALIFICATION OF ISSUING AGENT

“*Section 317.3 (c).* Notwithstanding the provisions of subsections (a) and (b) hereof any designated issuing agent which is, and continues to be, insured by the Federal Deposit Insurance Corporation and which files an Application—Trust Agreement on Form 384-A with the Federal Reserve Bank of its district may apply for Defense Savings Bond stock, Series E, sufficient to meet its requirements without the pledge of collateral security therefor. The aggregate amount of stock to be maintained at any one time, taken at maturity values, shall not exceed 50 percent of the issuing agents’ capital and surplus or guaranty fund or reserves for capital purposes or \$500,000, whichever is the smaller amount; however, the Secretary of the Treasury, directly or through the Federal Reserve Bank of the district as fiscal agent, reserves the right to regulate the amount of stock which may be obtained or maintained by any issuing agent without the pledge of collateral security, including temporary increases over the limits expressed in this subsection, whenever circumstances make such action necessary or desirable.

“(d). Notwithstanding the provisions of subsections (a) and (b) hereof, any designated issuing agent which is, and continues to be, insured by the Federal Savings & Loan Insurance Corporation, or any other acceptable State Insurance Corporation, System or Fund, the members of which are subject to Federal or State supervision, examination and liquidation, which files an Application—Trust Agreement on Form 384-A with the Federal Reserve Bank of the district in which it is located may apply for Defense Savings Bond stock, Series E, sufficient to meet its requirements without the pledge of collateral security therefor. The aggregate amount of stock to be maintained at any one time, taken at maturity values, shall not exceed 50 percent of the issuing agents’ capital and surplus or guaranty fund or reserve for capital purposes, or other similar fund or funds, or \$50,000, whichever is the smaller amount; however, the Secretary of the Treasury, directly or through the Federal Reserve Bank of the district as fiscal agent, reserves the right to regulate the amount of stock which may be obtained or maintained by any issuing agent without the pledge of collateral security, including temporary increase over the limits expressed in this subsection, whenever circumstances make such action necessary or desirable.

“(e). Upon approval of the Application and Pledge Agreement, Form 384, or the Application—Trust Agreement, Form 384-A, the Federal Reserve Bank will issue a certificate of qualification to the issuing agent on Form No. 385 or 385-A. The Federal Reserve Bank, as fiscal agent of the United States, may certify, in whole or in part, the qualification applied for. If the qualification applied for is not certified, appropriate notice thereof will be transmitted to the issuing agent making application.”

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

APPLICATION—TRUST AGREEMENT

(Defense Savings Bonds, Series E)

To the Federal Reserve Bank of Dallas,
As Fiscal Agent of the United States.
Station K, Dallas, Texas

The undersigned, a designated issuing agent for the sale and issue of Defense Savings Bonds, Series E, and a duly qualified member of _____, 194____, 50% of the*

(Indicate Insurance Corporation, Fund or System)

of which is \$ _____, does hereby desire to qualify pursuant to provisions of section 3 _____, of United States Treasury Department Circular No. 657, as amended, to obtain a stock of such bonds sufficient to meet its requirements without the pledge of collateral security, and agrees to the following conditions:

CONDITIONS

The entire stock of Defense Savings Bonds, Series E, heretofore or hereafter obtained, until sold, and the proceeds thereof, when sold, shall at all times be the property of the United States and are to be held in trust for it. The undersigned shall be responsible for all acts of its own officers and employees in the custody, issue, and sale of said bonds and shall be required to use the same care in the safekeeping of said bonds and the proceeds thereof as it uses in the care of its own securities and funds. If bonds are lost or stolen, the undersigned shall immediately notify the Federal Reserve Bank of Dallas, Dallas, Texas. All Defense Savings Bonds, Series E, are to be sold pursuant to the provisions of Treasury Department Circular No. 653, and the proceeds therefrom are to be remitted in accordance with the provisions of Treasury Department Circular No. 657, as amended, or instructions issued from time to time by the Federal Reserve Bank of Dallas.

IN WITNESS WHEREOF, the undersigned has caused this agreement to be executed under seal by the officer below named, thereunto duly authorized by a resolution of its governing board adopted on the _____ day of _____, 194 ____.

[SEAL]

(Name)

(Address)

By _____
(Signature of Officer)

(Title of Officer)

*Indicate basis of computation, whether capital and surplus, surplus only, guaranty fund, reserve for capital purposes or a similar fund or funds.

ACKNOWLEDGMENT

STATE OF _____ }
COUNTY OF _____ } ss:

On this _____ day of _____, 194____, before me appeared _____, to me personally
(Name of Officer)

known, who, being by me duly sworn, did say that he is the _____ of the _____
(Title of Officer) (Name of Institution)

and that the seal affixed to the above instrument is the official seal of said institution, and that the above instrument was signed and sealed in behalf of said institution by authority of its governing board, and said officer acknowledged said instrument to be the free act and deed of said institution.

Notary Public.

[SEAL]

(In case the applicant has no official seal, omit the words—"the seal affixed to the above instrument is the official seal of said institution and that" and add at the end of the affidavit clause the words—"and that said institution has no official seal".)