

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, November 14, 1944

To Banks Qualified for the Payment of United States Savings Bonds:

The Treasury Department has been informed that some banks which have qualified to make payment of United States Savings Bonds are questioning the validity of the issue dates on bonds presented for payment where a considerable difference exists between the issue date (month and year of issue) and the date shown in the validating stamp.

During the latter part of 1942, the War Department effected an arrangement for members of both the military and civilian personnel to purchase savings bonds through payroll deductions. The enthusiastic response to the plan overwhelmed the facilities that had been established and, as a consequence, there was considerable delay in the issuance of many bonds. Of course, a purchaser is entitled to receive a bond issued as of the month and year in which payment is made even though the bond may not be issued and delivered until a later date. Bonds that are reissued by the Treasury Department or Federal Reserve banks and branches, under certain circumstances, are likewise given the same datings as are borne by the bonds they replace, although the validating stamp bears the date on which the reissue is effected.

Where a bond bears a stamp of the War Department or a Finance Officer, or the stamp of the Treasury Department or a Federal Reserve bank or branch, payment should not be refused solely because the stamp may bear a date considerably later than the issue date of the bond. When positive identification of the owner is established and the paying agent is satisfied as to other conditions, payment should be made. Validating stamps of Finance Officers representing the War Department do not carry a name, but instead an identifying number is used, for example, 11-K-88.

It has also come to the attention of the Treasury that in some localities qualified banks are requiring that the requests for payment on the bonds be fully executed before the bonds are presented to them for payment. Under the provisions of Section 321.11 of Treasury Department Circular No. 750, it is not necessary for the owner to have his signature certified before presenting a bond to a qualified bank for payment, although bonds bearing such certifications may be paid upon identification of the persons entitled to payment. In other words, the responsibility of identification and payment to the registered owner or coowner rests upon the paying bank, and any certification appearing on a bond presented for payment should be disregarded by the paying bank.

Yours very truly,

R. R. GILBERT

President