

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 23, 1949

MATURING UNITED STATES SAVINGS BONDS OF SERIES D-1940

To Agents Qualified to Pay or Issue

United States Savings Bonds:

Secretary of the Treasury Snyder has asked that your attention be called to the copy of his statement concerning the payment at maturity of United States Savings Bonds of Series D-1940, beginning on January 1, 1950, which is reproduced on the reverse side hereof.

It will be noted that any individual (natural person in his own right) owner or coowner desiring, instead of receiving cash, to exchange his maturing bonds for bonds of Series E registered in his own name in any authorized form of registration may do so at any time without regard to the annual limitation of \$10,000 maturity value ordinarily applicable to savings bonds of Series E. However, if such owner or coowner desires to preserve the continuity of his investment he should present his maturing bonds for payment in the month in which they mature and make the exchange at that time. The Secretary wishes institutions which are **qualified both as paying and issuing agents** to make the exchange for registered owners or coowners through their established payment and issue procedures. Such institutions will note that where exchange is authorized bonds of Series E may be issued up to such denominational amount as the proceeds of the maturing bonds will fully cover or such lesser amount as the owner may direct, any remaining balance to be paid to the owner or coowner of the bonds presented. Series D bonds owned by others than individuals are not acceptable in payment of United States Savings Bonds of Series E.

While paying agents are not authorized to redeem savings bonds inscribed in guardianship form, provision has been made whereby matured bonds of Series D-1940 registered in the name of the guardian of the estate of a minor or incompetent will be eligible for exchange for bonds of Series E in the presently authorized form of registration. When such a bond is submitted for reinvestment, the request for payment on the reverse side of the bond should be signed and properly certified, and the bond, together with an application for a new bond should be forwarded to this bank or the appropriate branch where the transaction will be completed.

All Series E bonds issued against the proceeds of Series D bonds must be dated as of the first day of the month in which the Series D bonds are presented, and the notation "EXCH" imprinted in the lower left corner on original registration stubs of bonds so issued. Rubber stamps bearing the prescribed notation, and now in use, may be used. If additional stamps are needed, this bank or the appropriate branch should be advised.

Registration stubs for Series E bonds issued concurrently against payment with the proceeds of matured Series D bonds should be consolidated with registration stubs from bonds of Series E sold for cash and included in the customary sales reports.

Attention of paying agents is called to current Treasury Department regulations which provide that they may make payment of bonds of Series A, B, C, D and E to natural persons only. Bonds of Series A, B, C and D which are inscribed in forms of registration other than to an individual (authorized prior to April 1, 1940) should, after proper certification of the request for payment, be forwarded to this bank or the appropriate branch for payment direct to the registrant entitled.

Yours very truly,

R. R. GILBERT

President

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

Wednesday, December 21, 1949

Secretary of the Treasury Snyder today reminded bond holders and bond buyers generally of the fact that the Treasury is continuing its program of urging individuals to buy more savings bonds.

In furtherance of this policy, the Secretary called attention to the fact that individual holders of the Series D-1940 Savings Bonds, which start maturing January 1, 1950, are permitted to reinvest the proceeds, as they mature, in the Series E savings bonds which are currently on sale, without regard to the annual limitation. This can be accomplished through the established payment and issue procedure, and the Series E bonds so acquired will be exempt from the \$10,000 (maturity value) annual limitation on holdings of Series E bonds. Holders will be permitted to reinvest any part of the proceeds of their maturing bonds up to such denominational amount as the proceeds will fully cover. Since Series E bonds may be purchased only in the names of individuals, only those Series D-1940 Savings Bonds held by individuals will be eligible for this privilege.

Any agent qualified to pay savings bonds, which is also an issuing agent, can accomplish this exchange through the simple procedure of redeeming matured bonds registered in the name of an individual owner or coowner, and applying the proceeds to the purchase of new Series E bonds. The bonds may also be exchanged, of course, at any Federal Reserve bank or branch, or at the Treasury Department.

The new bonds will be dated as of the first day of the month in which the matured Series D-1940 Savings Bonds are presented for payment. In order to preserve the continuity of the investment, individual holders of the maturing bonds should present them for exchange during the month in which they mature.

The Secretary took occasion to express appreciation for the splendid response of the people of the country to the Treasury's savings bond program.