

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 29, 1952

REVISION OF SAVINGS BOND PROGRAM

**To All Banking Institutions, and Others Concerned
in the Eleventh Federal Reserve District:**

As outlined in the enclosed copy of a press statement issued today by Secretary of the Treasury Snyder, several very important changes will be made in the Treasury's savings bond program effective May 1, 1952.

United States Savings Bonds of Series E bearing issue dates of May 1952 and subsequent months will be revised as to terms and conditions. Sales of United States Savings Bonds of Series F and Series G will terminate as of April 30, 1952. They will be replaced by United States Savings Bonds of Series J and Series K on May 1. Also, a new current income bond, United States Savings Bond of Series H, will be placed on sale June 1, 1952. Treasury Department Circulars No. 653, Third Revision, and No. 906 covering the revised Series E bonds and the bonds of Series J and Series K are enclosed. The circular for the Series H bonds will be mailed as soon as available.

The revised Series E bonds with certain improvements are in general a continuation of the Series E bonds heretofore available. In addition to the increased yield outlined in paragraph 1 of the Treasury Department's press statement, the annual limitation on purchases has been increased from the \$10,000 maturity value now in effect to \$20,000 maturity value. Revised application forms will be furnished as soon as the present supply is exhausted.

The revised terms and conditions automatically will apply to all Series E bonds bearing issue dates of May 1952 and subsequent months as fully as if expressly set forth in the text of the bonds themselves. Such bonds will earn the increased values set forth in the new tables, and whenever presented (not less than two months from the issue dates) they will be paid by authorized paying agents at the higher values. Issuing agents, therefore, should continue to issue the present stock of bonds until new stock is available, which may be several months.

Purchasers of Series E bonds of the present stock bearing issue dates of May 1952 or later may exchange such bonds at any Federal Reserve Bank or Branch or at the Treasury Department for bonds of the new form, when available, of like denominations, registrations and issue dates if they so desire. **Such exchanges, however, are not necessary since the purchasers will receive the full benefit of the higher redemption values and other privileges without such exchanges.**

Owners of the revised Series E bonds may, if they desire, continue their investment by holding the bonds for an additional 10 years following maturity. Such bonds will earn interest after maturity at the rate of approximately 3 percent per annum compounded semiannually for each half year period of the extension period. Owners of the bonds also may exchange them at maturity for the bonds of Series K in amounts of \$500, maturity value, or multiples thereof in accordance with the provisions of Department Circular No. 906. These privileges likewise will apply to all Series E bonds as they mature bearing dates of **May 1942 through April 1952.**

The new bonds of Series J and Series K, which will replace the bonds of Series F and Series G, respectively, are somewhat similar to the latter bonds. As outlined in paragraph 3 of the press statement, the yield of the new bonds has been increased substantially in addition to doubling the annual purchase limitation to \$200,000.

Application forms for the Series J and Series K bonds will be furnished as soon as available. Until they are furnished, applications may be entered by letter furnishing details as to inscriptions and denominations and accompanied by appropriate payment. Qualified Treasury Tax and Loan Depositories which desire to make payment through their Treasury Tax and Loan Accounts should accompany the applications by an appropriately completed Form FA-794, Advice of Credit Treasury Tax and Loan Account. Until stocks of the new bonds are available, purchasers of the bonds will receive interim receipts from this bank or appropriate branch evidencing their purchases. These receipts should be submitted to the appropriate office of this bank in exchange for the bonds as soon as they are available. The bonds issued in exchange for interim receipts will have the same issue dates as the corresponding interim receipts. Appropriate notice will be given to the holders of the receipts when the bonds are available.

There are enclosed informal summaries of the terms and conditions of the revised Series E bond and each of the three new series of savings bonds. These summaries should prove helpful to officers and employees of banks and issuing agents in discussing the bonds with their customers. The offering circulars, however, should be referred to for the official and complete terms and conditions.

The official circular regarding the new Series H bonds which will be placed on sale June 1 and which is outlined in paragraph 2 of the press statement, together with appropriate application forms, will be forwarded prior to that date.

Yours very truly,

R. R. GILBERT

President

TREASURY DEPARTMENT

Washington

Release 12 O'Clock Noon Eastern Daylight Saving Time, Tuesday, April 29, 1952

Secretary Snyder today announced a number of changes in United States Savings Bonds to go into effect on May 1—the eleventh anniversary of the original offering of Series E, F, and G Bonds.

Briefly, the changes are as follows:

1. Series E Bonds.

The first thing that has been done with respect to E Bonds issued on and after May 1, 1952, has been to improve the intermediate redemption schedule to give a higher return in the earlier years. Interest will start at the end of six months instead of at the end of one year as formerly. The rate accrued at the end of six months will be 1.07 percent; at the end of one year, 1.59 percent; at the end of 2 years, 2.10 percent; at the end of 3 years, 2.25 percent; at the end of 5 years, 2.52 percent; and so on.

The overall interest rate on E Bonds has also been raised—from 2.9 percent to 3 percent compounded semiannually, the maximum permitted by the law. The \$18.75 issue price on a \$25 bond has been retained—as has the \$4 return for a \$3 investment.

The change in the overall return has been effected by shortening the length of the Series E Bond from 10 years to 9 years, 8 months. The new interest rate schedule does not apply to bonds outstanding for the period up to their original maturity.

The interest rate on the E Bond during the extension period after maturity has also been raised for all bonds which have not yet matured, so that the return will be 3 percent, compounded semiannually, during the additional 10 years of an E Bond's life under the extension privilege. The new rates on the extension will not apply to bonds which have matured prior to May 1, 1952.

In addition to these changes in the terms of E Bonds, the Treasury has doubled the annual limit on E Bond purchases from the \$10,000 maturity value now in effect to \$20,000 maturity value.

New stocks of bonds with the new intermediate redemption values and the new maturity will not physically be available on May 1. The existing stock of E Bonds will be sold throughout the period prior to the availability of new bond stock. Every E Bond sold after May 1 will by regulation, however, obtain the revised terms and conditions. As soon as new stock is available, any purchaser who wishes will be entitled to exchange his old bond (if purchased on or after May 1, 1952) for a new one; but if he does not make the exchange, he will still obtain the benefits of the revised scale, and paying agents will be furnished new redemption schedules applying to the bonds issued on or after May 1, 1952.

2. New Current Income Bond.

The Treasury is also offering an entirely new current income savings bond to be designated Series H which will have interest paid by check semiannually instead of having the interest accrue. This bond will be a companion to the discount E Bond and will be promoted along with the E Bond. This bond will be available beginning on June 1. It will be

issued and redeemable at par. Interest will be paid by check semiannually on a graduated scale of rates which has been put as close as possible to the E Bond scale. It will be issued only to individuals; will have the same 9 year, 8 month term as E Bonds; and will have a similar annual purchase limit of \$20,000 maturity value. Unlike E Bonds, however, it must be held six months, rather than two months, before it can be redeemed and it will be redeemable only on one month's notice; it will be issued and redeemable only at Federal Reserve banks and branches and at the Treasury; and it will be offered with a minimum denomination of \$500. Administratively, it is too costly to pay interest checks semiannually on bonds in denominations of less than \$500. Because the Series H Bond and the E Bond are sold exclusively to individuals, and because they so closely resemble each other in interest return, the Treasury will report combined sales of Series E and Series H Bonds in the same way that Series F and Series G sales have been reported together.

3. Series F and G Bonds.

The Treasury is also making significant changes and improvements in the F and G Savings Bond picture. These two particular series are being withdrawn effective May 1, and two new series of savings bonds to be known as Series J and Series K are being substituted for them. Series J will be a revised Series F Bond, and Series K will be a revised Series G Bond. The new series will differ from the old series primarily in their higher interest rate schedules. They will pay $2\frac{3}{4}$ percent if held 12 years to maturity, and will pay much higher intermediate yields than F and G Bonds. Series J and K Bonds will pay approximately $1\frac{1}{4}$ percent if held for one year, $1\frac{1}{2}$ percent if held for 2 years, $2\frac{1}{8}$ per cent if held for 5 years, and so on. The combined annual purchase limit for Series J and K Bonds has been doubled to \$200,000, as compared with \$100,000 for Series F and G Bonds. To save administrative expense the \$100 denomination that was available in the Series G Bond has been dropped, but all of the Series F denominations will be continued.

Revised Series E Bond

Summary of Terms and Conditions

- (1) Date of announcement -- April 29, 1952.
- (2) Effective date -- The revised terms apply to all bonds sold on or after May 1, 1952.
- (3) Issue price -- 75% of maturity (par) value.
- (4) Issue date -- First day of month in which payment is received by an authorized issuing agent.
- (5) Maturity date -- 9 years and 8 months from issue date.
- (6) Interest -- Accrues to par to provide an investment yield of 3.00% compounded semi-annually if held to maturity; lesser yields if redeemed at earlier dates. 1/
- (7) Redeemability prior to maturity at option of Treasury -- None.
- (8) Redeemability prior to maturity at option of holder -- At any time not less than 2 months from issue date without notice, at stated redemption values, at any qualified bank or other paying agent, any Federal Reserve Bank or branch, or at the United States Treasury. 1/
- (9) Negotiability -- None.
- (10) Eligibility as collateral for loans -- None.
- (11) Eligible subscribers -- Natural persons only.
- (12) Limits on subscriptions by eligible subscribers -- Annual limit on new purchases of \$20,000 maturity value (\$15,000 issue price), including all Series E bonds already purchased since January 1, 1952.
- (13) Denominations -- \$25, \$50, \$100, \$200, \$500, \$1,000, and \$10,000 (maturity value).
- (14) Bearer or registered -- Registered form only; may be registered in name of single owner (with or without beneficiary) or in co-ownership form.

1/ For schedule of redemption values and investment yields see table attached.

- (15) Extension privileges -- If owner does not wish to cash his bond at maturity he may (1) hold his bond for a period not to exceed 10 years more and have interest accrue at a rate of approximately 3.0% compounded semi-annually regardless of when he may redeem the bond (with a final maturity value of \$134.68 per \$100 bond), or (2) exchange his bond at any Federal Reserve Bank or branch, or at the United States Treasury for a Series K bond (\$500 denomination minimum) and receive semi-annual interest checks to give him a current income for up to 12 years thereafter at the rate of 2.76% compounded semi-annually, said bond to be redeemable at par at any time, (after the first 6 months) on 1 calendar month's notice.
- (16) Handling of subscriptions before new bonds are printed -- Old stock will be used until new bonds are available. In all cases the purchaser would be informed that the new terms and conditions will apply. If he wishes, he may exchange any bond issued after May 1, 1952 on old stock for a new bond with the same dating when new stock is available, although his rights would be in no way impaired if he does not do so.

Revised Series E Bond

Schedule of Redemption Values and Investment Yields

(Based on \$1,000 Bond)

	: Redemption : value : during : each : period	: Addition to: : redemption : value at : beginning : of each : period	: APPROXIMATE INVESTMENT YIELDS <u>1/</u> : On issue price to : beginning of each : period	: On current redemp- : tion value from : beginning of each : period to maturity
ISSUE PRICE.....	\$ 750.00			
ORIGINAL MATURITY VALUE.....	1,000.00			
For period beginning:				
At issue date.....	750.00	-	-	3.00%
1/2 year after issue date..	754.00	\$ 4.00	1.07%	3.10
1 year after issue date..	762.00	8.00	1.59	3.16
1-1/2 years after issue date..	772.00	10.00	1.94	3.19
2 years after issue date..	782.00	10.00	2.10	3.23
2-1/2 years after issue date..	792.00	10.00	2.19	3.28
3 years after issue date..	802.00	10.00	2.25	3.34
3-1/2 years after issue date..	812.00	10.00	2.28	3.41
4 years after issue date..	822.00	10.00	2.30	3.49
4-1/2 years after issue date..	836.00	14.00	2.43	3.50
5 years after issue date..	850.00	14.00	2.52	3.51
5-1/2 years after issue date..	864.00	14.00	2.59	3.54
6 years after issue date..	878.00	14.00	2.64	3.58
6-1/2 years after issue date..	892.00	14.00	2.69	3.64
7 years after issue date..	906.00	14.00	2.72	3.74
7-1/2 years after issue date..	920.00	14.00	2.74	3.89
8 years after issue date..	936.00	16.00	2.79	4.01
8-1/2 years after issue date..	952.00	16.00	2.83	4.26
9 years after issue date..	968.00	16.00	2.86	4.94
9-1/2 years after issue date..	984.00	16.00	2.88	9.92
9-2/3 years after issue date..	1,000.00	16.00	3.00	-

1/ Compounded semi-annually.

Revised Extension of Series E Bonds

Summary of Terms and Conditions

- (1) Date of announcement -- April 29, 1952.
- (2) Effective date -- The revised extension terms will apply equally to unmatured E bonds now outstanding (bonds dated May 1942-April 1952) and to new E bonds sold on or after May 1, 1952. 1/
- (3) Extension privileges -- If owner does not wish to cash his bond at maturity he may (1) hold his bond for a period not to exceed 10 years more and have interest accrue at a rate of approximately 3.0% compounded semi-annually regardless of when he may redeem the bond (with a final maturity value of \$134.68 per \$100 bond), or (2) exchange his bond at any Federal Reserve Bank or branch, or at the United States Treasury for a Series K bond (\$500 denomination minimum) and receive semi-annual interest checks to give him a current income for up to 12 years thereafter at the rate of 2.76% compounded semi-annually, said bond to be redeemable at par at any time, (after first 6 months) on 1 calendar month's notice.

1/ For schedule of redemption values and investment yields see table attached.

Revised Extension of Series E Bonds

Schedule of Redemption Values and Investment Yields

(Based on \$1,000 Bond)

	:	:	: APPROXIMATE INVESTMENT YIELDS ^{1/}			
			:	:	:	:
	:	:	: To beginning		:	:
	:	: Addition :	: of each period		:	: On current
: Redemption:	: to re-	:	: On issue	:	:	: redemption
: value	: demption :	:	: price	:	:	: value from
: during	: value at :	:	: for bonds	:	: On face :	: beginning of
: each	: beginning:	:	: sold	:	: value :	: each period
: period	: of each :	:	: On or :	:	: during :	: to
:	: period	:	: Before :	:	: after :	: extension:
:	:	:	: May 1,	:	: May 1,	:
:	:	:	: 1952	:	: 1952 :	:
:	:	:	:	:	:	: extended
:	:	:	:	:	:	: maturity
ISSUE PRICE.....	\$	750.00				
ORIGINAL MATURITY VALUE.....		1,000.00				
EXTENDED MATURITY VALUE.....		1,346.80				
For period beginning:						
At original maturity date.....		1,000.00	...	2.90%	3.00%	-
1/2 year after maturity date...		1,015.00	\$ 15.00	2.90	3.00	3.00%
1 year after maturity date...		1,030.00	15.00	2.90	3.00	2.98
1-1/2 years after maturity date..		1,045.00	15.00	2.91	2.99	2.96
2 years after maturity date..		1,060.00	15.00	2.90	2.99	2.93
2-1/2 years after maturity date..		1,076.00	16.00	2.91	2.99	2.95
3 years after maturity date..		1,092.00	16.00	2.91	2.99	2.96
3-1/2 years after maturity date..		1,108.00	16.00	2.91	2.99	2.95
4 years after maturity date..		1,124.00	16.00	2.91	2.98	2.94
4-1/2 years after maturity date..		1,140.00	16.00	2.91	2.98	2.93
5 years after maturity date..		1,158.00	18.00	2.92	2.98	2.96
5-1/2 years after maturity date..		1,176.00	18.00	2.92	2.99	2.97
6 years after maturity date..		1,194.00	18.00	2.93	2.99	2.98
6-1/2 years after maturity date..		1,212.00	18.00	2.93	2.99	2.98
7 years after maturity date..		1,230.00	18.00	2.93	2.99	2.98
7-1/2 years after maturity date..		1,248.00	18.00	2.93	2.99	2.98
8 years after maturity date..		1,266.00	18.00	2.93	2.99	2.97
8-1/2 years after maturity date..		1,286.00	20.00	2.94	2.99	2.98
9 years after maturity date..		1,306.00	20.00	2.94	2.99	2.99
9-1/2 years after maturity date..		1,326.00	20.00	2.94	3.00	2.99
10 years after maturity date..		1,346.80	20.80	2.95	3.00	3.00

^{1/} Compounded semi-annually.

New Series H Bond

Summary of Terms and Conditions

- (1) Date of announcement -- April 29, 1952.
- (2) Effective date -- This bond will be available beginning June 1, 1952.
- (3) Issue price -- Par.
- (4) Issue date -- First day of month in which payment is received by a Federal Reserve Bank or branch, or the United States Treasury.
- (5) Maturity date -- 9 years and 8 months from issue date.
- (6) Interest -- Varying semi-annual interest checks to provide an investment yield of approximately 3.00% per annum if held to maturity; lesser yields if redeemed at earlier dates. 1/
- (7) Redeemability prior to maturity at option of Treasury -- None.
- (8) Redeemability prior to maturity at option of holder -- On first day of any month after 6 months from issue date on 1 month's notice, at par, at any Federal Reserve Bank or branch, or at the United States Treasury. 1/
- (9) Negotiability -- None.
- (10) Eligibility as collateral for loans -- None.
- (11) Eligible subscribers -- Natural persons only.
- (12) Limits on subscriptions by eligible subscribers -- Annual limit on new purchases of \$20,000 maturity value.
- (13) Denominations -- \$500, \$1,000, \$5,000, and \$10,000.
- (14) Bearer or registered -- Registered form only; may be registered in the name of single owner (with or without beneficiary) or in co-ownership form.
- (15) Extension privileges -- None.
- (16) Handling of subscriptions before new bonds are printed -- Interim receipts will be used until new bonds are printed.

1/ For schedule of varying amounts of checks and investment yields see table attached.

New Series H Bond

Schedule of Semi-annual Checks and Investment Yields
(Based on \$1,000 Bond) 1/

		APPROXIMATE INVESTMENT YIELDS ^{2/}		
		Check issued at beginning of period	On issue price to beginning of each period	:On current redemp- tion value from beginning of each period to maturity
For period beginning:				
At issue date.....		-	-	3.00%
1/2 year after issue date.....	\$ 4.00	.80%		3.13
1 year after issue date.....	12.50	1.65		3.18
1-1/2 years after issue date.....	12.50	1.93		3.22
2 years after issue date.....	12.50	2.07		3.27
2-1/2 years after issue date.....	12.50	2.15		3.34
3 years after issue date.....	12.50	2.21		3.41
3-1/2 years after issue date.....	12.50	2.25		3.49
4 years after issue date.....	12.50	2.28		3.58
4-1/2 years after issue date.....	17.00	2.40		3.60
5 years after issue date.....	17.00	2.49		3.63
5-1/2 years after issue date.....	17.00	2.57		3.66
6 years after issue date.....	17.00	2.63		3.69
6-1/2 years after issue date.....	17.00	2.69		3.74
7 years after issue date.....	17.00	2.73		3.81
7-1/2 years after issue date.....	17.00	2.77		3.91
8 years after issue date.....	17.00	2.81		4.07
8-1/2 years after issue date.....	17.00	2.84		4.36
9 years after issue date.....	17.00	2.87		5.10
9-1/2 years after issue date.....	17.00	2.89		10.37
9-2/3 years after issue date.....	17.00	3.00		-

^{1/} Redemption value at all times = \$1,000.

^{2/} Compounded semi-annually.

New Series J Bond

Summary of Terms and Conditions

- (1) Date of announcement -- April 29, 1952.
- (2) Effective date -- May 1, 1952; sales of Series F bonds will terminate as of April 30, 1952.
- (3) Issue price -- 72% of maturity (par) value.
- (4) Issue date -- First of month in which payment is received by Federal Reserve Bank or branch or the United States Treasury.
- (5) Maturity date -- 12 years from issue date.
- (6) Interest -- Accrues to par to provide 2.76% compounded semi-annually if held to maturity; lesser yields if redeemed at earlier dates. 1/
- (7) Redeemability prior to maturity at option of Treasury -- None.
- (8) Redeemability prior to maturity at option of holder -- On first day of any month after 6 months from issue date on 1 month's notice, at stated redemption values, at any Federal Reserve Bank or branch, or at the United States Treasury. 1/
- (9) Negotiability -- None.
- (10) Eligibility as collateral for loans -- None.
- (11) Eligible subscribers -- All, except that banks which accept demand deposits are excluded.
- (12) Limits on subscriptions by eligible subscribers -- Annual limit of \$200,000 issue price jointly with Series K bonds.
- (13) Denominations -- \$25, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000 (maturity value).
- (14) Bearer or registered -- Registered form only; may be registered in the name of single owner (with or without a beneficiary), or in co-ownership form.
- (15) Extension privileges -- None.
- (16) Handling of subscriptions before new bonds are printed -- Interim receipts will be used until new bonds are printed.

1/ For schedule of redemption values and investment yields see table attached.

New Series J Bond

Schedule of Redemption Values and Investment Yields
(Based on \$1,000 Bond)

	Redemption value during each period	Addition to redemption value at beginning of each period	Approximate Investment Yields ^{1/} On issue price to beginning of each period	On current redemp- tion value from beginning of each period to maturity
Issue price.....	\$ 720.00			
Maturity value.....	1,000.00			
For period beginning at:				
Issue date.....	720.00	-	-	2.76%
½ year after issue date....	724.00	\$4.00	1.11%	2.83
1 year after issue date....	729.00	5.00	1.25	2.89
1½ years after issue date..	735.00	6.00	1.38	2.95
2 years after issue date..	742.00	7.00	1.51	3.01
2½ years after issue date..	750.00	8.00	1.64	3.05
3 years after issue date..	759.00	9.00	1.77	3.09
3½ years after issue date..	768.00	9.00	1.85	3.13
4 years after issue date..	778.00	10.00	1.95	3.16
4½ years after issue date..	789.00	11.00	2.04	3.18
5 years after issue date..	800.00	11.00	2.12	3.21
5½ years after issue date..	812.00	12.00	2.20	3.23
6 years after issue date..	824.00	12.00	2.26	3.25
6½ years after issue date..	837.00	13.00	2.33	3.26
7 years after issue date..	850.00	13.00	2.39	3.28
7½ years after issue date..	864.00	14.00	2.45	3.28
8 years after issue date..	878.00	14.00	2.50	3.28
8½ years after issue date..	892.00	14.00	2.54	3.29
9 years after issue date..	906.00	14.00	2.57	3.32
9½ years after issue date..	921.00	15.00	2.61	3.32
10 years after issue date..	936.00	15.00	2.64	3.33
10½ years after issue date..	952.00	16.00	2.68	3.31
11 years after issue date..	968.00	16.00	2.71	3.28
11½ years after issue date..	984.00	16.00	2.73	3.25
12 years after issue date..	1,000.00	16.00	2.76	-

^{1/} Compounded semi-annually.

New Series K Bond

Summary of Terms and Conditions

- (1) Date of announcement — April 29, 1952.
- (2) Effective date — May 1, 1952; sales of Series G bonds will terminate as of April 30, 1952.
- (3) Issue price — Par.
- (4) Issue date — First of month in which payment is received by Federal Reserve Bank or branch, or the United States Treasury.
- (5) Maturity date — 12 years from issue date.
- (6) Interest — Paid semi-annually at the rate of 2.76% per annum; redemption values cut back below par to provide lesser yields if redeemed at earlier dates; 1/ but, redeemable at par in event of death or if issued in exchange for a maturing Series E bond.
- (7) Redeemability prior to maturity at option of Treasury — None.
- (8) Redeemability prior to maturity at option of holder — On first day of any month after 6 months from issue date on 1 month's notice, at stated redemption values, at any Federal Reserve Bank or branch, or at the United States Treasury. 1/
- (9) Negotiability — None.
- (10) Eligibility as collateral for loans — None.
- (11) Eligible subscribers — All, except that banks which accept demand deposits are excluded.
- (12) Limits on subscriptions by eligible subscribers — Annual limit of \$200,000 issue price jointly with Series J bonds.
- (13) Denominations — \$500, \$1,000, \$5,000, \$10,000, and \$100,000.
- (14) Bearer or registered — Registered form only; may be registered in the name of single owner (with or without a beneficiary) or in co-ownership form.
- (15) Extension privileges — None.
- (16) Handling of subscriptions before new bonds are printed — Interim receipts will be used until new bonds are printed.

1/ For schedule of redemption values and investment yields see table attached.

New Series K Bond

Schedule of Redemption Values and Investment Yields

(Based on \$1,000 Bond)

	: Redemption : value : during : each : period	: Change in : redemption : value at : beginning : of each : period	: Approximate Investment Yields <u>1/</u> : On issue price to : beginning of each : period	: On current redemp- : tion value from : beginning of each : period to maturity
For period beginning at:				
Issue date.....	\$1,000.00	-	-	2.76%
$\frac{1}{2}$ year after issue date.....	992.00	\$-8.00	1.16%	2.84
1 year after issue date.....	985.00	-7.00	1.26	2.92
$1\frac{1}{2}$ years after issue date....	979.00	-6.00	1.37	2.99
2 years after issue date....	975.00	-4.00	1.52	3.05
$2\frac{1}{2}$ years after issue date....	971.00	-4.00	1.62	3.12
3 years after issue date....	969.00	-2.00	1.75	3.16
$3\frac{1}{2}$ years after issue date....	967.00	-2.00	1.84	3.21
4 years after issue date....	966.00	-1.00	1.94	3.25
$4\frac{1}{2}$ years after issue date....	966.00	-	2.03	3.27
5 years after issue date....	967.00	+1.00	2.13	3.29
$5\frac{1}{2}$ years after issue date....	968.00	+1.00	2.21	3.31
6 years after issue date....	969.00	+1.00	2.27	3.33
$6\frac{1}{2}$ years after issue date....	970.00	+1.00	2.33	3.36
7 years after issue date....	972.00	+2.00	2.39	3.37
$7\frac{1}{2}$ years after issue date....	974.00	+2.00	2.44	3.39
8 years after issue date....	976.00	+2.00	2.49	3.41
$8\frac{1}{2}$ years after issue date....	978.00	+2.00	2.53	3.43
9 years after issue date....	981.00	+3.00	2.57	3.43
$9\frac{1}{2}$ years after issue date....	984.00	+3.00	2.61	3.43
10 years after issue date....	987.00	+3.00	2.65	3.44
$10\frac{1}{2}$ years after issue date....	990.00	+3.00	2.68	3.45
11 years after issue date....	993.00	+3.00	2.70	3.48
$11\frac{1}{2}$ years after issue date....	996.00	+3.00	2.73	3.57
12 years after issue date....	1,000.00	+4.00	2.76	-

1/ Compounded semi-annually.

TITLE 31: MONEY AND FINANCE
CHAPTER II: FISCAL SERVICE, DEPARTMENT OF THE TREASURY
Subchapter B - Bureau of the Public Debt
Part 316 OFFERING OF UNITED STATES SAVINGS BONDS,
SERIES E

UNITED STATES SAVINGS BONDS
SERIES E

1952
Department Circular No. 653
Third Revision

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, April 29, 1952.

Fiscal Service
Bureau of the Public Debt

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Department Circular No. 653, Second Revision, dated August 31, 1943,
as amended and supplemented (31 CFR 316), is hereby revised, effective
May 1, 1952, to read as follows:

Sec. 316.1. Offering of bonds.--The Secretary of the Treasury,
pursuant to the authority of the Second Liberty Bond Act, as amended,

offers for sale to the people of the United States, United States Savings Bonds of Series E which hereinafter are referred to as bonds of Series E. These bonds will be substantially a continuation of the Series E bonds heretofore available, but will mature 9 years and 8 months from the issue date and will have an investment yield of approximately 3 percent per annum compounded semiannually, if held to maturity. The sale of bonds of Series E issued hereunder will continue until terminated by the Secretary of the Treasury.

Sec. 316.2. Description.--Bonds of Series E will be issued only in registered form. See section 316.6 for information concerning registration. They will be issued in denominations of \$25, \$50, \$100, \$200, \$500, \$1,000 and \$10,000. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear an imprint of the Seal of the Treasury Department. At the time of issue, the issuing agent will inscribe on the face of each bond the name and address of the owner and the name of the coowner or beneficiary, if any; will enter the issue date of the bond; and will imprint the agent's dating stamp (to show the date the bond is actually inscribed). A bond of Series E shall be valid only if an authorized issuing agent receives payment therefor, duly inscribes, dates, and stamps the bond, and delivers it to the purchaser or his agent.

Sec. 316.3. Term.--A bond of Series E will be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds. This date is the issue date and the bond will mature and be payable at face value 9 years and 8 months from such issue date; but with the option on the part of the owner to retain it after maturity at further interest as set forth in section 316.13. The issue date is the basis for determining the redemption periods or the maturity date of the bond, and should not be confused with the date appearing in the issuing agent's stamp, which indicates the actual date the bond is inscribed. The bonds may not be called for redemption by the Secretary of the Treasury prior to maturity, but any bond may be redeemed prior to maturity, at any time after two months from the issue date, at the owner's option, at fixed redemption values.

Sec. 316.4. Interest.--Bonds of Series E will be issued on a discount basis at 75 percent of their maturity value. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of each half-year period from the issue date, with an additional increase for the period from 9 years and 6 months to 9 years and 8 months from the issue date, as shown in Table A at the end of this circular. The investment yield will be approximately 3 percent per annum compounded semiannually, if the bonds are held to maturity (but the yield will be less if the owner exercises his option to redeem a bond prior to maturity); the bonds will have a further investment yield of approximately 3 percent per annum compounded semiannually for each half-year period they are held after maturity under the option granted to owners in section 316.13.

Sec. 316.5. Taxation.--For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid for bonds of Series E (which are issued on a discount

basis), and the redemption value received therefor shall be considered as interest, and such interest is not exempt from income or profits taxes now or hereafter imposed under the Internal Revenue Code or laws amendatory or supplementary thereto.¹ The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

Sec. 316.6. Registration.--(a) Authorized forms.--Bonds of Series E may be registered only in the names of natural persons (that is, individuals), whether adults or minors, in their own right, as follows: (1) in the name of one person; (2) in the names of two (but not more than two) persons as coowners; and (3) in the name of one person payable on death to one (but not more than one) other designated person. Full information regarding authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.

(b) Restrictions.--Only residents of the United States (which for the purposes of this section shall include the territories, insular possessions and the Canal Zone), citizens of the United States temporarily residing abroad, and nonresident aliens employed in the United States by the Federal Government or an agency thereof may be named as owners, coowners, or designated beneficiaries of bonds of Series E issued pursuant to this circular, or of authorized reissues thereof, except that on original issues of bonds, but not on reissues, such persons may name as coowners or beneficiaries of their bonds American citizens permanently residing abroad or nonresident aliens who are not citizens of enemy nations. American citizens permanently residing abroad and nonresident aliens who become entitled to bonds under the regulations governing United States Savings Bonds,² by right of survivorship or otherwise, will not have the right to reissue but may hold the bonds without change of registration with the right to redeem them at any time in accordance with their terms.

Sec. 316.7. Limitation on holdings.--The amount of Series E bonds originally issued during the calendar year 1952 (and each calendar year thereafter) that may be held by any one person at any one time shall not exceed \$20,000 (maturity value), computed in accordance with the provisions of the regulations governing United States Savings Bonds.

Sec. 316.8. Nontransferability.--Bonds of Series E will not be transferable, and will be payable only to the owner named thereon, except

¹ For further information concerning the taxable and exempt status under Federal tax laws of the interest (increment in value) on United States Savings Bonds issued on a discount basis (including bonds of Series E), and alternate methods of reporting such interest, see Internal Revenue Mimeograph, Coll. No. 6327, dated November 9, 1948.

² See Department Circular No. 530, current revision.

in case of death or disability of the owner or as otherwise specifically provided in the regulations governing savings bonds, and in any event only in accordance with said regulations. Accordingly, after they are duly issued they may not be sold, discounted, hypothecated as collateral for a loan or the performance of a service, or disposed of in any manner other than as provided in the regulations governing savings bonds, and, except as provided in said regulations, the Treasury Department will recognize only the inscribed owner, during his lifetime, and thereafter his estate or heirs.

Sec. 316.9. Issue prices of bonds.—The issue prices of the various denominations of bonds of Series E follow:

Denomination	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000.00
(maturity value)							
Issue (purchase)	\$18.75	\$37.50	\$75.00	\$150.00	\$375.00	\$750.00	\$7,500.00
Price							

Sec. 316.10. Purchase of bonds.—Bonds of Series E may be purchased, while this offer is in effect, as follows:

(a) Over-the-counter for cash: (1) At United States post offices of the first, second, and third classes, and at selected post offices of the fourth class, and generally at classified stations and branches; (2) at such incorporated banks, trust companies, and other agencies as have been duly qualified as issuing agents; (3) at Federal Reserve Banks and Branches and at the Treasury Department, Washington 25, D. C.

(b) On mail order.—By mail upon application to the Treasurer of the United States, Washington 25, D. C., or to any Federal Reserve Bank or Branch, accompanied by a remittance to cover the issue price. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks, or other forms of exchange, should be drawn to the order of the Federal Reserve Bank or Treasurer of the United States, as the case may be. Checks payable by endorsement are not acceptable. Any depository qualified pursuant to the provisions of Treasury Department Circular No. 92 Revised (31 CFR Part 203) will be permitted to make payment by credit for bonds applied for on behalf of its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

(c) Postal savings.—Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of purchasing bonds of Series E.

(d) Savings stamps.—Savings stamps, in authorized denominations, may be purchased at any post office where bonds of Series E are on sale and at such other agencies as may be designated from time to time. These stamps may be used to accumulate credits for the purchase of bonds of Series E. Albums, for affixing the stamps, will be available without charge, and such albums will be receivable, in the amount of the affixed stamps, on the purchase price of savings bonds.

Sec. 316.11. Bonds purchased before new stock is available.—Until bonds have been printed and supplied to issuing agents Series E bonds in the form on sale prior to May 1, 1952, will be issued for purchases made under this circular. BONDS OF SERIES E PURCHASED IN THE INTERVAL UNTIL THE NEW STOCKS ARE AVAILABLE WILL CARRY THE NEW RATE AND REDEMPTION VALUES AND ALL OTHER PRIVILEGES AS FULLY AS IF EXPRESSLY SET FORTH IN THE TEXT OF THE BONDS THEMSELVES. The owners, if they desire to do so, may exchange such bonds at any Federal Reserve Bank or Branch or at the Treasury Department, Washington 25, D. C., for bonds in the new form (with the same registration and issue dates), when the latter become available; but they need not do so because all paying agents will redeem ALL bonds of Series E bearing issue dates on and after May 1, 1952, in accordance with the schedule of redemption values set forth in Table A at the end of this circular.

Sec. 316.12. Delivery of bonds.—Issuing agents are authorized to deliver bonds of Series E by mail at the risk and expense of the United States, at the address given by the purchaser, but only within the United States, its territories and insular possessions and the Canal Zone.³ No mail deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, the bonds will be delivered at an address in the United States, or held in safekeeping, as the purchaser may direct.

Sec. 316.13. Retention of Series E bonds (heretofore or hereafter issued) at further interest after maturity.⁴—Owners of Series E bonds heretofore or hereafter issued who wish to continue their investment beyond maturity have the option of retaining their matured bonds for a 10-year period after maturity (hereafter referred to as the "extension period") and of earning interest upon the maturity values thereof in accordance with the provisions of (1), (2) and (3) hereof. This option is as binding on the United States as if expressly set forth in the text of the bonds. NO ACTION IS REQUIRED OF OWNERS DESIRING TO TAKE ADVANTAGE THEREOF. MERELY BY CONTINUING TO HOLD THEIR BONDS AFTER MATURITY OWNERS WILL EARN FURTHER INTEREST IN ACCORDANCE WITH THE SCHEDULE OF REDEMPTION VALUES SET FORTH IN THE PERTINENT TABLES REFERRED TO BELOW. Interest under these provisions accrues at the end of the first half-year period following maturity and at the end of each successive half-year period thereafter. If the bonds are redeemed before the end of the first half-year period following maturity, the owner is entitled to payment only at the face value thereof.

(1) Series E bonds bearing issue dates of May 1, 1941, through April 1, 1942.—Such bonds earn interest after maturity at the rate of $2\frac{1}{2}$ percent simple interest per annum, if redeemed during the first $7\frac{1}{2}$ years of the extension period, in accordance

3 During any war emergency the Treasury may suspend deliveries to be made at its risk and expense from or to the continental United States and its territories, insular possessions and the Canal Zone, or between any of such places.

4 The basic provisions governing the option of owners of Series E bonds to retain their bonds at further interest after maturity were originally set forth in Department Circular No. 885.

with the schedule of redemption values in Table B at the end of this circular, and at a higher rate thereafter so that the aggregate return for the extension period will be approximately 2.9 percent compounded semiannually.

(2) Series E bonds bearing issue dates of May 1, 1942, through April 1, 1952.—Such bonds will earn interest after maturity at the rate of approximately 3 percent per annum compounded semiannually for each half-year period of the extension period and are redeemable in accordance with the schedule of redemption values in Table C at the end of this circular.

(3) Series E bonds bearing issue dates on and after May 1, 1952.—Such bonds will earn interest after maturity at the rate of approximately 3 percent per annum compounded semiannually for each half-year period of the extension period and will be redeemable in accordance with the schedule of redemption values in Table A at the end of this circular.

The term "owners" as used in this section and section 316.14 includes registered owners, coowners, surviving beneficiaries, next of kin and legatees of deceased owners, and persons who have acquired bonds pursuant to judicial proceedings against the owners, except that judgment creditors, trustees in bankruptcy and receivers of insolvents' estates will have the right only to payment in accordance with the regulations governing United States Savings Bonds.

Sec. 316.14. Exchange of matured bonds of Series E for bonds of Series K.—Owners of matured Series E bonds who prefer to have a current income bond rather than to exercise their right to retain the bonds for the extension period may exchange them in amounts of \$500 (maturity value) or multiples thereof for bonds of Series K subject to the provisions of Department Circular No. 906 dated April 29, 1952.

Sec. 316.15. Federal income tax as applied to matured Series E bonds.—(a) A taxpayer who has been reporting the increase in redemption value of his Series E bonds, for Federal income tax purposes, each year as it accrues, must continue to do so if he retains the bonds under section 316.13, unless in accordance with income tax regulations (Regulations 111, section 29.42-6) the taxpayer secures permission from the Commissioner of Internal Revenue to change to a different method of reporting income from such obligations. A taxpayer who has not been reporting the increase in redemption value of such bonds currently for tax purposes may in any year prior to final maturity, and subject to the provisions of section 42 (b) of the Internal Revenue Code and of the regulations prescribed thereunder, elect for such year and subsequent years to report such income annually. Holders of Series E bonds who have not reported the increase in redemption value currently are required to include such amount in gross income for the taxable year of actual redemption or for the taxable year in which the period of extension ends, whichever is earlier.

(b) Taxpayers who exchange their matured Series E bonds for Series K bonds (see section 316.14) must report the difference between the purchase price of their Series E bonds and the maturity value thereof in their returns for the year in which the bonds mature to the extent to which such difference has not been reported in previous returns. The interest payable on the Series K bonds issued upon exchange must be reported as income for the taxable year in which received or accrued.

(c) If further information concerning the income tax is desired, inquiry should be addressed to the Collector of Internal Revenue of the taxpayer's district or to the Bureau of Internal Revenue, Washington 25, D. C.

Sec. 316.16. Safekeeping.—Series E bonds will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks,⁵ as fiscal agents of the United States, and those of the Treasurer of the United States, will be utilized. Arrangements may be made for such safekeeping at the time of purchase, or subsequently.

Sec. 316.17. Lost, stolen, or destroyed bonds.—If a Series E bond is lost, stolen, or destroyed, a substitute may be issued or payment may be obtained upon identification of the bond and proof of its loss, theft, or destruction. The owner should keep a description of his bonds by series, denomination, serial number and name of coowner or beneficiary, if any, apart from the bonds, and in case of loss, theft, or destruction should immediately notify the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, briefly stating the facts and describing the bonds. Full instructions for obtaining substitute bonds or payment will then be given.

Sec. 316.18. Payment or redemption (In general).—A Series E bond may be redeemed at the option of the owner at any time after two months from the issue date at the appropriate redemption value as shown in the tables of redemption values at the end of this circular, Table A for bonds dated on and after May 1, 1952, Table B for those dated May 1, 1941, through April 1, 1942, and Table C for those dated May 1, 1942, through April 1, 1952. A Series E bond in a denomination higher than \$25 (maturity value) may be redeemed in part but only in the amount of an authorized denomination or multiple thereof. Payment will be made upon presentation and surrender of the bond by the owner to authorized paying agencies as follows:

(1) Incorporated banks, trust companies and other financial institutions.—An individual (natural person) whose name is inscribed on the face of a Series E bond either as owner or co-owner in his own right may present such bond (unless marked "DUPLICATE") to any incorporated bank or trust company or other

⁵ Safekeeping facilities may be offered at some Branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the Branch.

financial institution which is qualified as a paying agent under the provisions of Department Circular No. 750 or any revision of or amendment thereto. If such bond is in order for payment by the paying agent, the owner or coowner, upon establishing his identity to the satisfaction of the paying agent and upon signing the request for payment and adding his home or business address, may receive immediate payment of the current redemption value.

(2) Federal Reserve Banks, Branches and Treasurer of the United States.—Owners of Series E bonds may also obtain payment upon presentation of the bonds to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington 25, D. C., with the request for payment on the bond duly executed and certified in accordance with the provisions of the regulations governing savings bonds.

Sec. 316.19. Payment or redemption in the case of disability or death.—In case of the disability of the registered owner, or the death of the registered owner not survived by a coowner or a designated beneficiary, instructions should be obtained from a Federal Reserve Bank or Branch, or the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, before the request for payment is executed.

Sec. 316.20. General provisions.—(a) Regulations.—All Series E bonds issued pursuant to this circular shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States Savings Bonds. Such regulations may require, among other things, reasonable notice in case of presentation of Series E bonds for redemption prior to maturity. The present regulations are set forth in Treasury Department Circular No. 530, current revision, copies of which may be obtained on application to the Treasury Department or to any Federal Reserve Bank or Branch.

(b) Reservation as to issue of bonds.—The Secretary of the Treasury reserves the right to reject any application for Series E bonds, in whole or in part, and to refuse to issue or permit to be issued hereunder any such bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

(c) Preservation of existing rights.—Nothing contained in this circular shall be construed to limit or restrict any existing rights which owners of Series E bonds have acquired under the circulars previously in force.

(d) Fiscal agents.—Federal Reserve Banks and Branches, as fiscal agents of the United States, are authorized to perform such services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of Series E bonds.

(e) Reservation as to terms of circular.—The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto.

JOHN W. SNYDER,
Secretary of the Treasury.

TABLE A

UNITED STATES SAVINGS BONDS - SERIES B
TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS
FOR BONDS BEARING ISSUE DATES BEGINNING MAY 1, 1952

Table showing: (1) How bonds of Series B bearing issue dates beginning May 1, 1952, by denominations, increase in redemption value during successive half-year periods following issue or date of original maturity; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period (a) to maturity or (b) to extended maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000	APPROXIMATE INVESTMENT YIELD*	
								(2) On purchase price from issue date to beginning of each half-year period 1/2	(3) On current redemption value from beginning of each half-year period 1/2 (a) to maturity
Issue Price	18.75	37.50	75.00	150.00	375.00	750.00	7,500		
Period after issue date	(1) Redemption values during each half-year period 1/2 (Values increase on first day of period shown)								
								Percent	Percent
First 1/2 year	\$18.75	\$37.50	\$75.00	\$150.00	\$375.00	\$750.00	\$7,500	0.00	3.00**
1/2 to 1 year	18.85	37.70	75.40	150.80	377.00	754.00	7,540	1.07	3.10
1 to 1-1/2 years	19.05	38.10	76.20	152.40	381.00	762.00	7,620	1.59	3.16
1-1/2 to 2 years	19.30	38.60	77.20	154.40	386.00	772.00	7,720	1.94	3.19
2 to 2-1/2 years	19.55	39.10	78.20	156.40	391.00	782.00	7,820	2.10	3.23
2-1/2 to 3 years	19.80	39.60	79.20	158.40	396.00	792.00	7,920	2.19	3.28
3 to 3-1/2 years	20.05	40.10	80.20	160.40	401.00	802.00	8,020	2.25	3.34
3-1/2 to 4 years	20.30	40.60	81.20	162.40	406.00	812.00	8,120	2.28	3.41
4 to 4-1/2 years	20.55	41.10	82.20	164.40	411.00	822.00	8,220	2.30	3.49
4-1/2 to 5 years	20.90	41.80	83.60	167.20	418.00	836.00	8,360	2.43	3.50
5 to 5-1/2 years	21.25	42.50	85.00	170.00	425.00	850.00	8,500	2.52	3.51
5-1/2 to 6 years	21.60	43.20	86.40	172.80	432.00	864.00	8,640	2.59	3.54
6 to 6-1/2 years	21.95	43.90	87.80	175.60	439.00	878.00	8,780	2.64	3.58
6-1/2 to 7 years	22.30	44.60	89.20	178.40	446.00	892.00	8,920	2.69	3.64
7 to 7-1/2 years	22.65	45.30	90.60	181.20	453.00	906.00	9,060	2.72	3.74
7-1/2 to 8 years	23.00	46.00	92.00	184.00	460.00	920.00	9,200	2.74	3.89
8 to 8-1/2 years	23.40	46.80	93.60	187.20	468.00	936.00	9,360	2.79	4.01
8-1/2 to 9 years	23.80	47.60	95.20	190.40	476.00	952.00	9,520	2.83	4.26
9 to 9-1/2 years	24.20	48.40	96.80	193.60	484.00	968.00	9,680	2.86	4.94
9-1/2 years to 9 years & 8 months	24.60	49.20	98.40	196.80	492.00	984.00	9,840	2.88	9.92
MATURITY VALUE (9 years & 8 months from issue date)	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000	3.00
Period after maturity date	EXTENDED MATURITY PERIOD							(b) to extended maturity	
First 1/2 year	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000	3.00	3.00
1/2 to 1 year	25.37	50.75	101.50	203.00	507.50	1,015.00	10,150	3.00	3.00
1 to 1-1/2 years	25.75	51.50	103.00	206.00	515.00	1,030.00	10,300	3.00	3.00
1-1/2 to 2 years	26.12	52.25	104.50	209.00	522.50	1,045.00	10,450	2.99	3.01
2 to 2-1/2 years	26.50	53.00	106.00	212.00	530.00	1,060.00	10,600	2.99	3.02
2-1/2 to 3 years	26.90	53.80	107.60	215.20	538.00	1,076.00	10,760	2.99	3.02
3 to 3-1/2 years	27.30	54.60	109.20	218.40	546.00	1,092.00	10,920	2.99	3.02
3-1/2 to 4 years	27.70	55.40	110.80	221.60	554.00	1,108.00	11,080	2.99	3.03
4 to 4-1/2 years	28.10	56.20	112.40	224.80	562.00	1,124.00	11,240	2.98	3.04
4-1/2 to 5 years	28.50	57.00	114.00	228.00	570.00	1,140.00	11,400	2.98	3.05
5 to 5-1/2 years	28.95	57.90	115.80	231.60	579.00	1,158.00	11,580	2.98	3.04
5-1/2 to 6 years	29.40	58.80	117.60	235.20	588.00	1,176.00	11,760	2.99	3.04
6 to 6-1/2 years	29.85	59.70	119.40	238.80	597.00	1,194.00	11,940	2.99	3.03
6-1/2 to 7 years	30.30	60.60	121.20	242.40	606.00	1,212.00	12,120	2.99	3.04
7 to 7-1/2 years	30.75	61.50	123.00	246.00	615.00	1,230.00	12,300	2.99	3.05
7-1/2 to 8 years	31.20	62.40	124.80	249.60	624.00	1,248.00	12,480	2.99	3.07
8 to 8-1/2 years	31.65	63.30	126.60	253.20	633.00	1,266.00	12,660	2.99	3.12
8-1/2 to 9 years	32.15	64.30	128.60	257.20	643.00	1,286.00	12,860	2.99	3.10
9 to 9-1/2 years	32.65	65.30	130.60	261.20	653.00	1,306.00	13,060	2.99	3.10
9-1/2 to 10 years	33.15	66.30	132.60	265.20	663.00	1,326.00	13,260	3.00	3.14
EXTENDED MATURITY VALUE (10 years from original maturity date)2/	\$33.67	\$67.34	\$134.68	\$269.36	\$673.40	\$1,346.80	\$13,468	3.00

* Calculated on basis of \$1,000 bond (face value).
 ** Approximate investment yield for entire period from issuance to maturity.
 1/ 2-month period in the case of the 9-1/2 year to 9 year and 8 month period.
 2/ 19 years and 8 months after issue date.

TABLE B

UNITED STATES SAVINGS BONDS - SERIES E
 TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS
 FOR BONDS BEARING ISSUE DATES FROM MAY 1, 1941 THROUGH APRIL 1, 1942

Table showing: (1) How bonds of Series E bearing issue dates from May 1, 1941 through April 1, 1942, by denominations, increase in redemption value during successive half-year periods following issue or date of original maturity; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period (a) to maturity or (b) to extended maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	APPROXIMATE INVESTMENT YIELD*	
						(2) On purchase price from issue date to beginning of each half-year period	(3) On current redemption value from beginning of each half-year period (a) to maturity
Issue Price.....	18.75	37.50	75.00	375.00	750.00	Percent	Percent
Period after issue date	(1) Redemption values during each half-year period (Values increase on first day of period shown)						
First 1/2 year.....	\$18.75	\$37.50	\$75.00	\$375.00	\$750.00	0.00	2.90**
1/2 to 1 year.....	18.75	37.50	75.00	375.00	750.00	.00	3.05
1 to 1-1/2 years.....	18.87	37.75	75.50	377.50	755.00	.67	3.15
1-1/2 to 2 years.....	19.00	38.00	76.00	380.00	760.00	.88	3.25
2 to 2-1/2 years.....	19.12	38.25	76.50	382.50	765.00	.99	3.38
2-1/2 to 3 years.....	19.25	38.50	77.00	385.00	770.00	1.06	3.52
3 to 3-1/2 years.....	19.50	39.00	78.00	390.00	780.00	1.31	3.58
3-1/2 to 4 years.....	19.75	39.50	79.00	395.00	790.00	1.49	3.66
4 to 4-1/2 years.....	20.00	40.00	80.00	400.00	800.00	1.62	3.75
4-1/2 to 5 years.....	20.25	40.50	81.00	405.00	810.00	1.72	3.87
5 to 5-1/2 years.....	20.50	41.00	82.00	410.00	820.00	1.79	4.01
5-1/2 to 6 years.....	20.75	41.50	83.00	415.00	830.00	1.85	4.18
6 to 6-1/2 years.....	21.00	42.00	84.00	420.00	840.00	1.90	4.41
6-1/2 to 7 years.....	21.50	43.00	86.00	430.00	860.00	2.12	4.36
7 to 7-1/2 years.....	22.00	44.00	88.00	440.00	880.00	2.30	4.31
7-1/2 to 8 years.....	22.50	45.00	90.00	450.00	900.00	2.45	4.26
8 to 8-1/2 years.....	23.00	46.00	92.00	460.00	920.00	2.57	4.21
8-1/2 to 9 years.....	23.50	47.00	94.00	470.00	940.00	2.67	4.17
9 to 9-1/2 years.....	24.00	48.00	96.00	480.00	960.00	2.76	4.12
9-1/2 to 10 years.....	24.50	49.00	98.00	490.00	980.00	2.84	4.08
MATURITY VALUE (10 years from issue date).....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	2.90
Period after maturity date	EXTENDED MATURITY PERIOD						(b) to extended maturity
First 1/2 year.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	2.90	2.90
1/2 to 1 year.....	25.31	50.62	101.25	506.25	1,012.50	2.88	2.92
1 to 1-1/2 years.....	25.62	51.25	102.50	512.50	1,025.00	2.86	2.94
1-1/2 to 2 years.....	25.94	51.87	103.75	518.75	1,037.50	2.84	2.97
2 to 2-1/2 years.....	26.25	52.50	105.00	525.00	1,050.00	2.82	3.01
2-1/2 to 3 years.....	26.56	53.12	106.25	531.25	1,062.50	2.81	3.05
3 to 3-1/2 years.....	26.87	53.75	107.50	537.50	1,075.00	2.79	3.10
3-1/2 to 4 years.....	27.19	54.37	108.75	543.75	1,087.50	2.77	3.16
4 to 4-1/2 years.....	27.50	55.00	110.00	550.00	1,100.00	2.75	3.23
4-1/2 to 5 years.....	27.81	55.62	111.25	556.25	1,112.50	2.74	3.32
5 to 5-1/2 years.....	28.12	56.25	112.50	562.50	1,125.00	2.72	3.43
5-1/2 to 6 years.....	28.44	56.87	113.75	568.75	1,137.50	2.71	3.56
6 to 6-1/2 years.....	28.75	57.50	115.00	575.00	1,150.00	2.69	3.73
6-1/2 to 7 years.....	29.06	58.12	116.25	581.25	1,162.50	2.67	3.96
7 to 7-1/2 years.....	29.37	58.75	117.50	587.50	1,175.00	2.66	4.26
7-1/2 to 8 years.....	30.00	60.00	120.00	600.00	1,200.00	2.70	4.26
8 to 8-1/2 years.....	30.67	61.33	122.67	613.33	1,226.67	2.75	4.21
8-1/2 to 9 years.....	31.33	62.67	125.33	626.67	1,253.33	2.79	4.17
9 to 9-1/2 years.....	32.00	64.00	128.00	640.00	1,280.00	2.83	4.12
9-1/2 to 10 years.....	32.67	65.33	130.67	653.33	1,306.67	2.87	4.08
EXTENDED MATURITY VALUE (10 years from original maturity date) 1/.....	\$33.33	\$66.67	\$133.33	\$666.67	\$1,333.33	2.90

* Calculated on basis of \$1,000 bond (face value).

** Approximate investment yield for entire period from issuance to maturity.

1/ 20 years from issue date.

TABLE C

UNITED STATES SAVINGS BONDS - SERIES E
 TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS
 FOR BONDS BEARING ISSUE DATES FROM MAY 1, 1942 THROUGH APRIL 1, 1952

Table showing: (1) How bonds of Series E bearing issue dates from May 1, 1942 through April 1, 1952, by denominations, increase in redemption value during successive half-year periods following issue or date of original maturity; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period (a) to maturity or (b) to extended maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value.....	\$10.00	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	APPROXIMATE INVESTMENT YIELD*	
								(2) On purchase price from issue date to beginning of each half-year period	(3) On current redemption value from beginning of each half-year period (a) to maturity
Issue Price.....	7.50	18.75	37.50	75.00	150.00	375.00	750.00	Percent	Percent
Period after issue date	(1) Redemption values during each half-year period (Values increase on first day of period shown)							Percent	Percent
First 1/2 year.....	\$7.50	\$18.75	\$37.50	\$75.00	\$150.00	\$375.00	\$750.00	0.00	2.90**
1/2 to 1 year.....	7.50	18.75	37.50	75.00	150.00	375.00	750.00	.00	3.05
1 to 1-1/2 years.....	7.55	18.87	37.75	75.50	151.00	377.50	755.00	.67	3.15
1-1/2 to 2 years.....	7.60	19.00	38.00	76.00	152.00	380.00	760.00	.88	3.25
2 to 2-1/2 years.....	7.65	19.12	38.25	76.50	153.00	382.50	765.00	.99	3.38
2-1/2 to 3 years.....	7.70	19.25	38.50	77.00	154.00	385.00	770.00	1.06	3.52
3 to 3-1/2 years.....	7.80	19.50	39.00	78.00	156.00	390.00	780.00	1.31	3.58
3-1/2 to 4 years.....	7.90	19.75	39.50	79.00	158.00	395.00	790.00	1.49	3.66
4 to 4-1/2 years.....	8.00	20.00	40.00	80.00	160.00	400.00	800.00	1.62	3.75
4-1/2 to 5 years.....	8.10	20.25	40.50	81.00	162.00	405.00	810.00	1.72	3.87
5 to 5-1/2 years.....	8.20	20.50	41.00	82.00	164.00	410.00	820.00	1.79	4.01
5-1/2 to 6 years.....	8.30	20.75	41.50	83.00	166.00	415.00	830.00	1.85	4.18
6 to 6-1/2 years.....	8.40	21.00	42.00	84.00	168.00	420.00	840.00	1.90	4.41
6-1/2 to 7 years.....	8.60	21.50	43.00	86.00	172.00	430.00	860.00	2.12	4.36
7 to 7-1/2 years.....	8.80	22.00	44.00	88.00	176.00	440.00	880.00	2.30	4.31
7-1/2 to 8 years.....	9.00	22.50	45.00	90.00	180.00	450.00	900.00	2.45	4.26
8 to 8-1/2 years.....	9.20	23.00	46.00	92.00	184.00	460.00	920.00	2.57	4.21
8-1/2 to 9 years.....	9.40	23.50	47.00	94.00	188.00	470.00	940.00	2.67	4.17
9 to 9-1/2 years.....	9.60	24.00	48.00	96.00	192.00	480.00	960.00	2.76	4.12
9-1/2 to 10 years.....	9.80	24.50	49.00	98.00	196.00	490.00	980.00	2.84	4.08
MATURITY VALUE (10 years from issue date).	\$10.00	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	2.90
Period after maturity date	EXTENDED MATURITY PERIOD							(b) to extended maturity	
First 1/2 year.....	\$10.00	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	2.90	3.00
1/2 to 1 year.....	10.15	25.37	50.75	101.50	203.00	507.50	1,015.00	2.90	3.00
1 to 1-1/2 years.....	10.30	25.75	51.50	103.00	206.00	515.00	1,030.00	2.90	3.00
1-1/2 to 2 years.....	10.45	26.12	52.25	104.50	209.00	522.50	1,045.00	2.91	3.01
2 to 2-1/2 years.....	10.60	26.50	53.00	106.00	212.00	530.00	1,060.00	2.90	3.02
2-1/2 to 3 years.....	10.76	26.90	53.80	107.60	215.20	538.00	1,076.00	2.91	3.02
3 to 3-1/2 years.....	10.92	27.30	54.60	109.20	218.40	546.00	1,092.00	2.91	3.02
3-1/2 to 4 years.....	11.08	27.70	55.40	110.80	221.60	554.00	1,108.00	2.91	3.03
4 to 4-1/2 years.....	11.24	28.10	56.20	112.40	224.80	562.00	1,124.00	2.91	3.04
4-1/2 to 5 years.....	11.40	28.50	57.00	114.00	228.00	570.00	1,140.00	2.91	3.05
5 to 5-1/2 years.....	11.58	28.95	57.90	115.80	231.60	579.00	1,158.00	2.92	3.04
5-1/2 to 6 years.....	11.76	29.40	58.80	117.60	235.20	588.00	1,176.00	2.92	3.04
6 to 6-1/2 years.....	11.94	29.85	59.70	119.40	238.80	597.00	1,194.00	2.93	3.03
6-1/2 to 7 years.....	12.12	30.30	60.60	121.20	242.40	606.00	1,212.00	2.93	3.04
7 to 7-1/2 years.....	12.30	30.75	61.50	123.00	246.00	615.00	1,230.00	2.93	3.05
7-1/2 to 8 years.....	12.48	31.20	62.40	124.80	249.60	624.00	1,248.00	2.93	3.07
8 to 8-1/2 years.....	12.66	31.65	63.30	126.60	253.20	633.00	1,266.00	2.93	3.12
8-1/2 to 9 years.....	12.86	32.15	64.30	128.60	257.20	643.00	1,286.00	2.94	3.10
9 to 9-1/2 years.....	13.06	32.65	65.30	130.60	261.20	653.00	1,306.00	2.94	3.10
9-1/2 to 10 years.....	13.26	33.15	66.30	132.60	265.20	663.00	1,326.00	2.94	3.14
EXTENDED MATURITY VALUE (10 years from original maturity date) 1/.....	\$13.47	\$33.67	\$67.34	\$134.68	\$269.36	\$673.40	\$1,346.80	2.95

* Calculated on basis of \$1,000 bond (face value).
 ** Approximate investment yield for entire period from issuance to original maturity.
 1/ 20 years from issue date.

TITLE 31: MONEY AND FINANCE
CHAPTER II: FISCAL SERVICE, DEPARTMENT OF THE TREASURY
Subchapter B - Bureau of the Public Debt
Part 333 OFFERING OF UNITED STATES SAVINGS BONDS,
SERIES J AND K

UNITED STATES SAVINGS BONDS
SERIES J and SERIES K

1952
Department Circular No. 906

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, April 29, 1952.

Fiscal Service
Bureau of the Public Debt

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- SEC. 333.2 DESCRIPTION.
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- SEC. 333.6 REGISTRATION.
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Sec. 333.1. Offering of bonds.--The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended (31 U.S.C. 757c), offers for sale to the people of the United States, on and after May 1, 1952, United States Savings Bonds of Series J and Series K, which may hereinafter be referred to as bonds of Series J and Series K. Bonds of both series will be sold for cash, and in addition bonds of Series K will be issued in exchange for matured United States Savings Bonds of Series E (hereinafter referred to as bonds of Series E). Bonds of Series J and Series K issued during the calendar year 1952 will be designated Series J-1952 and Series K-1952,

respectively, and those of either series which may be issued in subsequent calendar years will be similarly designated by the series letter, J or K, followed by the year of issue. This offering of bonds of Series J and Series K will continue until terminated by the Secretary of the Treasury.

Sec. 333.2. Description.--Bonds of Series J and Series K will be issued only in registered form. See section 333.6 hereof for information concerning registration. They will be issued in denominations of \$25 and \$100 for Series J only, and \$500, \$1,000, \$5,000, \$10,000, and \$100,000 (maturity values) for both Series J and Series K. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear an imprint of the Seal of the Treasury Department. At the time of issue the issuing agent will inscribe on the face of each bond the name and address of the owner and the name of the coowner or beneficiary, if any; will enter the issue date of the bond; and will imprint the issuing agent's dating stamp (to show the date the bond is actually inscribed). A bond of Series J or Series K shall be valid only if an authorized issuing agent receives payment therefor, duly inscribes, dates and stamps the bond, and delivers it to the purchaser or his agent.

Sec. 333.3. Term.--Each bond of Series J, and each bond of Series K sold for cash, will be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds. This date is the issue date, and the bond will mature and be payable at face value 12 years from such issue date. The issue date is the basis for determining redemption periods and the maturity date of the bond and should not be confused with the date in the issuing agent's stamp, which indicates the date the bond is actually inscribed. The issue date of a bond of Series K issued in exchange for matured bonds of Series E will be determined in accordance with rule (3) in section 333.10 (c) hereof. The bonds of either series may not be called for redemption by the Secretary of the Treasury prior to maturity, but any bond may be redeemed prior to maturity, after 6 months from the issue date, at the owner's option, at fixed redemption values.

Sec. 333.4. Interest.--(a) Bonds of Series J will be issued on a discount basis at 72 percent of their maturity value. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of each half-year period from issue date until maturity, when the face amount becomes payable. The increment in value will be payable only upon redemption of the bonds. A table of redemption values appears on each bond. The purchase price of bonds of Series J has been fixed so as to afford an investment yield of approximately 2.76 percent per annum compounded semiannually if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity the investment yield will be less.¹

1 See Table A appended to this circular.

(b) Bonds of Series K will be issued at par, and will bear interest at the rate of 2.76 percent per annum from issue date, payable semi-annually, beginning 6 months from issue date. Interest will be paid by check drawn to the order of the registered owner or coowners. Interest will cease at maturity, or, in case of redemption before maturity, at the end of the interest period next preceding the date of redemption, except that, if the date of redemption falls on an interest payment date, interest will cease on that date. The difference between the face amount of the bond and the redemption value fixed for any period represents an adjustment (or refund) of interest. Accordingly, if an owner who is not entitled to redemption at par before maturity exercises his option to redeem a bond prior to maturity, the investment yield will be less than the interest rate on the bond.² See section 333.15 (b) hereof for information concerning redemption at par before maturity.

Sec. 333.5. Taxation.--For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid for bonds of Series J (which are issued on a discount basis), and the redemption value received therefor (whether at or before maturity) shall be considered as interest, and that interest and interest on bonds of Series K are not exempt from income or profits taxes now or hereafter imposed under the Internal Revenue Code or laws amendatory or supplementary thereto.³ The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

Sec. 333.6. Registration.--(a) Authorized forms.--Bonds of Series J and Series K may be registered only in one of the following forms:

- (1) In the names of natural persons (that is, individuals), whether adults or minors, in their own right, as follows: (i) In the name of one person; (ii) in the names of two (but not more than two) persons as coowners; and (iii) in the name of one person payable on death to one (but not more than one) other designated person.

2 See Table B appended to this circular.

3 For further information concerning the taxable and exempt status under Federal tax laws of the interest (increment in value) on United States Savings Bonds issued on a discount basis (including bonds of Series J), and alternate methods of reporting such interest, see Internal Revenue Mimeograph, Coll. No. 6327, R. A. No. 1680, dated November 9, 1948.

(2) In the names of private or public organizations (including private corporations, partnerships and unincorporated associations, and states, counties, public corporations and other public bodies) in their own right; but not in the names of commercial banks, which are defined for this purpose as those accepting demand deposits.

(3) In the names of any persons or organizations, public or private, as fiduciaries (except where the fiduciary would hold the bonds merely or principally as security for the performance of a service.)

Full information regarding authorized forms of registration will be found in the regulations currently in force governing United States Savings Bonds.

(b) Restrictions.--Only residents (whether individuals or others) of the United States (which for the purposes of this section shall include the territories, insular possessions and the Canal Zone), citizens of the United States temporarily residing abroad, and nonresident aliens employed in the United States by the Federal Government or an agency thereof, may be named as owners, coowners, or designated beneficiaries of Series J and Series K bonds issued pursuant to this circular, or of authorized reissues thereof, except that on original issues of bonds, but not on reissues, such persons may name as coowners or beneficiaries of their bonds American citizens permanently residing abroad or nonresident aliens who are not citizens of enemy nations. American citizens permanently residing abroad and nonresident aliens who become entitled to bonds under the regulations governing United States Savings Bonds, by right of survivorship or otherwise, will not be entitled to reissue, but will have the right (1) to retain the bonds without change in registration, (2) to receive interest on bonds of Series K, and (3) to receive payment either at or before maturity on bonds of Series J or Series K.

Sec. 333.7. Limitation on holdings.--The amount of bonds of Series J or Series K, or the combined aggregate amount of bonds of both series originally issued during any ^{one} calendar year to any one person that may be held by that person at any time, including those registered in the name of that person alone and those registered in the name of that person and another person as coowner, is \$200,000 (issue price), computed in accordance with the provisions of the regulations governing United States Savings Bonds. Bonds of Series K issued in exchange for matured bonds of Series E are not included in computing the owner's holdings, for the purpose of applying the limitation on holdings.

Sec. 333.8. Nontransferability.--Bonds of Series J and Series K will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as otherwise specifically provided in the regulations governing savings bonds, and in any event only in accordance with said regulations.

Accordingly, after they are duly issued, they may not be sold, discounted, hypothecated as collateral for a loan or the performance of a service, or disposed of in any manner other than as provided in the regulations governing savings bonds, and, except as provided in said regulations, the Treasury Department will recognize only the inscribed owner, during his lifetime, and thereafter his estate or heirs.

Sec. 333.9. Purchase of bonds for cash.—(a) Agencies.—Bonds of Series J and Series K may be purchased only at Federal Reserve Banks and Branches, and at the Treasury Department, Washington 25, D. C. Customers of commercial banks and trust companies may be able to arrange for the purchase of such bonds through such institutions, but only the Federal Reserve Banks and Branches and the Treasury Department are authorized to act as official agencies, and the date of receipt of application and payment at an official agency will govern the dating of the bonds issued.

(b) Issue prices.—The following table shows the issue prices of the various denominations of bonds of Series J and Series K:

Denomination (maturity value)	:	Issue or Purchase Price	
		Series J	Series K
\$25	:	\$18	: . . .
\$100	:	\$72	: . . .
\$500	:	\$360	: \$500
\$1,000	:	\$720	: \$1,000
\$5,000	:	\$3,600	: \$5,000
\$10,000	:	\$7,200	: \$10,000
\$100,000	:	\$72,000	: \$100,000

(c) Application.—In applying for bonds under this circular, care should be taken to specify whether those of Series J or Series K are desired, and there must be furnished: (1) instructions for registration of the bonds to be issued, which must be in one of the authorized forms (see Sec. 333.6 (a)); (2) the post office address of the owner; (3) the address for delivery of the bonds; and (4) in the case of bonds of Series K the address for mailing interest checks. The application should be forwarded to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, Washington 25, D. C., accompanied by a remittance to cover the purchase price as shown in subsection (b) hereof. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks or other forms of exchange should be drawn to the order of the Federal Reserve Bank or the Treasurer of the United States, as the case may be. Checks payable by endorsement are not acceptable. Any depository qualified pursuant to the provisions of Treasury Department Circular No. 92 Revised (31 CFR Part 203) will be permitted to make payment by credit for bonds applied for on behalf of its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

(d) Postal savings.--Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of purchasing bonds of Series J or Series K.

Sec. 333.10. Issue of bonds of Series K in exchange for matured bonds of Series E.--(a) Exchange option.--Owners of United States Savings Bonds of Series E which have matured or will mature on or after May 1, 1952, who prefer to have an investment paying current income rather than to exercise their right to cash them in accordance with their terms, or, as provided in Treasury Department Circular No. 653, Third Revision, to retain them for a further period, up to ten years, during which they would continue to earn interest, have the option of exchanging such bonds for bonds of Series K bearing special privileges as set forth in subsection (b) hereof. The exchange will be governed by the rules set forth in subsection (c) hereof.

(b) Special privileges.--The Series K bonds issued upon exchange will be redeemable at par, at the owner's option, AT ANY TIME after 6 months from the issue date upon one calendar month's notice, as provided in section 333.15 hereof and will be specially stamped. Such bonds will not be included in computing the owner's holdings for the purpose of applying the limitation on holdings. See section 333.7 hereof. In all other respects the Series K bonds issued upon exchange will have the same terms and conditions, including restrictions on registration, as those sold for cash.

(c) Rules governing exchanges.--The following rules will govern the exchange of matured bonds of Series E for bonds of Series K:

(1) The Series K bonds issued upon exchange will be registered in the names of the owners of the matured Series E bonds, in any authorized form of registration; the term "owners" includes registered owners, coowners, surviving beneficiaries, next of kin and legatees of deceased owners who were not survived by a coowner or beneficiary, and persons who have acquired bonds pursuant to judicial proceedings against the owners, except that judgment creditors, trustees in bankruptcy and receivers of insolvents' estates will have the right only to payment in accordance with the regulations governing United States Savings Bonds.

(2) Series K bonds will be issued upon exchange only in authorized denominations (\$500, \$1,000, \$5,000, \$10,000 and \$100,000).

(3) The bonds of Series E must be presented to a Federal Reserve Bank or Branch or to the Treasury Department, Washington 25, D. C., for exchange not later than two calendar months after the month of maturity and the bonds of Series K issued upon exchange will be dated as of the first day of the month in which the Series E bonds mature, except that if an owner desires to accumulate a number of Series E bonds for exchange for bonds of Series K in any authorized denomination he may

accumulate such bonds during any twelve consecutive calendar months and present them for exchange not later than two calendar months after the month of maturity of the last bond in the group to be exchanged, and the Series K bonds issued upon such exchange will be dated on a weighted average dating basis which will afford an adequate interest adjustment for the period during which the owner has accumulated the bonds of Series E for the exchange, provided that in any event the bonds of Series K will not be dated earlier than May 1, 1952.

(4) No cash adjustment will be permitted in connection with the issue of bonds of Series K in exchange for bonds of Series E; the bonds of Series K to be issued upon exchange must be paid for in full with bonds of Series E in accordance with the foregoing rules.

Sec. 333.11. Delivery of bonds.--Authorized issuing agencies will deliver bonds of Series J and Series K either in person, or by mail at the risk and expense of the United States, at the address given by the purchaser, but only within the United States, its territories and insular possessions and the Canal Zone.⁴ No mail deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, the bonds will be delivered at an address in the United States, or held in safekeeping, as the purchaser may direct.

Sec. 333.12. Interim receipts.--Until such time as definitive bonds of Series J and Series K are ready for issue, purchasers of these bonds will receive interim receipts, which may be exchanged for definitive bonds when available. No increment will accrue, and no interest will be payable, on interim receipts as such, but the bonds issued in exchange for interim receipts will have the same issue dates as the corresponding interim receipts, and increment or interest will accrue on the bonds from such issue dates. In order to avoid delay in the receipt of the first interest payment on bonds of Series K, interim receipts for such bonds should be submitted to the issuing agency for exchange as soon as possible after the bonds become available.

Sec. 333.13. Safekeeping.--Bonds of Series J and Series K will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks,⁵ as fiscal agents of the United States, and those of the Treasurer of the United States, will be utilized. Arrangements may be made for such safekeeping at the time of purchase, or subsequently.

4 During any war emergency the Treasury may suspend deliveries to be made at its risk and expense from or to the continental United States and its territories, insular possessions and the Canal Zone, or between any of such places.

5 Safekeeping facilities may be offered at some branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the Branch.

Sec. 333.14. Lost, stolen, or destroyed bonds.--If a bond of Series J or Series K is lost, stolen, or destroyed, a substitute may be issued or payment may be obtained upon identification of the bond and proof of its loss, theft, or destruction. The owner should keep a description of his bonds by series, denomination, serial number and name of coowner or beneficiary, if any, apart from the bonds, and in case of loss, theft, or destruction should immediately notify the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, briefly stating the facts and describing the bonds. Full instructions for obtaining substitute bonds or payment will then be given.

Sec. 333.15. Payment or redemption.--(a) General.--A bond of Series J or Series K will be paid at par at maturity, following the execution of the request for payment and presentation to a Federal Reserve Bank or Branch, or to the Treasury Department, Washington 25, D. C. The request for payment must be executed and certified in accordance with the provisions of the applicable regulations. A bond of Series J or Series K will be redeemed, in whole or in part (in the amount of an authorized denomination or multiple thereof), at the option of the owner, at the appropriate redemption value, at any time after 6 months from the issue date, but only on the first day of a calendar month and upon one calendar month's notice in writing of desire to redeem by the owner. The presentation of the bond bearing a duly executed request for payment will be accepted as notice. Formal notice, to be effective, must be received by a Federal Reserve Bank or Branch, or the Treasury Department, and the bond must be presented to the same agency not less than 20 days before the redemption date fixed by the notice.

(b) Redemption of Series K bonds at par before maturity.--Bonds of Series K may be redeemed at par, in whole or in part, (1) upon the death of the owner, or a coowner, if a natural person, or (2) as to bonds held by a trustee or other fiduciary, upon the death of any person which results in termination of the trust. If the trust is terminated only in part, redemption at par will be made only to the extent of the pro rata portion of the trust so terminated, to the next lower multiple of \$500. In any case request for redemption at par must be received by the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, or by a Federal Reserve Bank or Branch in accordance with the regulations governing savings bonds. In addition bonds of Series K issued in exchange for matured bonds of Series E under the provisions of section 333.10 hereof may be redeemed at par at the owner's option AT ANY TIME after 6 months from the issue date, on one calendar month's notice.

(c) Disability or death.--In case of the disability of the registered owner, or the death of the registered owner not survived by a coowner or a designated beneficiary, instructions should be obtained from a Federal Reserve Bank or Branch, or the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, before the request for payment is executed.

Sec. 333.16. General provisions.--(a) Regulations.--All bonds of Series J and Series K issued pursuant to this circular shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States Savings Bonds. The present regulations are set forth in Treasury Department Circular No. 530, copies of which may be obtained on application to the Treasury Department or to any Federal Reserve Bank or Branch.

(b) Reservation as to issue of bonds.--The Secretary of the Treasury reserves the right to reject any application for bonds of either Series J or Series K, in whole or in part, and to refuse to issue or permit to be issued hereunder any such bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

(c) Fiscal agents.--Federal Reserve Banks and Branches, as fiscal agents of the United States, are authorized to perform such services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of savings bonds of Series J and Series K and they may issue interim receipts pending delivery of the definitive bonds.

(d) Reservation as to terms of circular.--The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto.

(e) Bonds of Series F and Series G.--The sale of United States Savings Bonds of Series F and Series G for cash, pursuant to Treasury Department Circular No. 654, Third Revision, dated September 12, 1950, is hereby terminated, effective at the close of business April 30, 1952.

JOHN W. SNYDER,
Secretary of the Treasury.

TABLE A

UNITED STATES SAVINGS BONDS - SERIES J
TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Series J, by denominations, increase in redemption value during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value	\$25.00	\$100.00	\$500.00	\$1,000	\$5,000	\$10,000	\$100,000	APPROXIMATE INVESTMENT YIELD*	
								(2) On purchase price from issue date to beginning of each half-year period	(3) On current redemption value from beginning of each half-year period to maturity
Issue Price	18.00	72.00	360.00	720	3,600	7,200	72,000	Percent	Percent
Period after issue date	(1) Redemption values during each half-year period (Values increase on first day of period shown)							Percent	Percent
First 1/2 year	Not redeemable								2.76**
1/2 to 1 year	\$18.10	\$72.40	\$362.00	\$724	\$3,620	\$7,240	\$72,400	1.11	2.83
1 to 1-1/2 years	18.22	72.90	364.50	729	3,645	7,290	72,900	1.25	2.89
1-1/2 to 2 years	18.37	73.50	367.50	735	3,675	7,350	73,500	1.38	2.95
2 to 2-1/2 years	18.55	74.20	371.00	742	3,710	7,420	74,200	1.51	3.01
2-1/2 to 3 years	18.75	75.00	375.00	750	3,750	7,500	75,000	1.64	3.05
3 to 3-1/2 years	18.97	75.90	379.50	759	3,795	7,590	75,900	1.77	3.09
3-1/2 to 4 years	19.20	76.80	384.00	768	3,840	7,680	76,800	1.85	3.13
4 to 4-1/2 years	19.45	77.80	389.00	778	3,890	7,780	77,800	1.95	3.16
4-1/2 to 5 years	19.72	78.90	394.50	789	3,945	7,890	78,900	2.04	3.18
5 to 5-1/2 years	20.00	80.00	400.00	800	4,000	8,000	80,000	2.12	3.21
5-1/2 to 6 years	20.30	81.20	406.00	812	4,060	8,120	81,200	2.20	3.23
6 to 6-1/2 years	20.60	82.40	412.00	824	4,120	8,240	82,400	2.26	3.25
6-1/2 to 7 years	20.92	83.70	418.50	837	4,185	8,370	83,700	2.33	3.26
7 to 7-1/2 years	21.25	85.00	425.00	850	4,250	8,500	85,000	2.39	3.28
7-1/2 to 8 years	21.60	86.40	432.00	864	4,320	8,640	86,400	2.45	3.28
8 to 8-1/2 years	21.95	87.80	439.00	878	4,390	8,780	87,800	2.50	3.28
8-1/2 to 9 years	22.30	89.20	446.00	892	4,460	8,920	89,200	2.54	3.29
9 to 9-1/2 years	22.65	90.60	453.00	906	4,530	9,060	90,600	2.57	3.32
9-1/2 to 10 years	23.02	92.10	460.50	921	4,605	9,210	92,100	2.61	3.32
10 to 10-1/2 years	23.40	93.60	468.00	936	4,680	9,360	93,600	2.64	3.33
10-1/2 to 11 years	23.80	95.20	476.00	952	4,760	9,520	95,200	2.68	3.31
11 to 11-1/2 years	24.20	96.80	484.00	968	4,840	9,680	96,800	2.71	3.28
11-1/2 to 12 years	24.60	98.40	492.00	984	4,920	9,840	98,400	2.73	3.25
MATURITY VALUE (12 years from issue date)	\$25.00	\$100.00	\$500.00	\$1,000	\$5,000	\$10,000	\$100,000	2.76

* Calculated on basis of \$1,000 bond (face value).

** Approximate investment yield for entire period from issuance to maturity.

TABLE B

 UNITED STATES SAVINGS BONDS - SERIES K
 TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Series K (paying a current return at the rate of 2.76 percent per annum on the purchase price, payable semiannually) change in redemption value, by denominations, during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually, and take into account the current return.

Maturity Value	\$500.00	\$1,000	\$5,000	\$10,000	\$100,000	APPROXIMATE INVESTMENT YIELD*	
						(2) On purchase price from issue date of each half-year period	(3) On current redemption value from beginning of each half-year period to maturity
Issue Price	500.00	1,000	5,000	10,000	100,000	Percent	Percent
Period after issue date	(1) Redemption values during each half-year period (Values change on first day of period shown)						
First 1/2 year	Not redeemable.....						2.76**
1/2 to 1 year	\$496.00	\$992	\$4,960	\$9,920	\$99,200	1.16	2.84
1 to 1-1/2 years	492.50	985	4,925	9,850	98,500	1.26	2.92
1-1/2 to 2 years	489.50	979	4,895	9,790	97,900	1.37	2.99
2 to 2-1/2 years	487.50	975	4,875	9,750	97,500	1.52	3.05
2-1/2 to 3 years	485.50	971	4,855	9,710	97,100	1.62	3.12
3 to 3-1/2 years	484.50	969	4,845	9,690	96,900	1.75	3.16
3-1/2 to 4 years	483.50	967	4,835	9,670	96,700	1.84	3.21
4 to 4-1/2 years	483.00	966	4,830	9,660	96,600	1.94	3.25
4-1/2 to 5 years	483.00	966	4,830	9,660	96,600	2.03	3.27
5 to 5-1/2 years	483.50	967	4,835	9,670	96,700	2.13	3.29
5-1/2 to 6 years	484.00	968	4,840	9,680	96,800	2.21	3.31
6 to 6-1/2 years	484.50	969	4,845	9,690	96,900	2.27	3.33
6-1/2 to 7 years	485.00	970	4,850	9,700	97,000	2.33	3.36
7 to 7-1/2 years	486.00	972	4,860	9,720	97,200	2.39	3.37
7-1/2 to 8 years	487.00	974	4,870	9,740	97,400	2.44	3.39
8 to 8-1/2 years	488.00	976	4,880	9,760	97,600	2.49	3.41
8-1/2 to 9 years	489.00	978	4,890	9,780	97,800	2.53	3.43
9 to 9-1/2 years	490.50	981	4,905	9,810	98,100	2.57	3.43
9-1/2 to 10 years	492.00	984	4,920	9,840	98,400	2.61	3.43
10 to 10-1/2 years	493.50	987	4,935	9,870	98,700	2.65	3.44
10-1/2 to 11 years	495.00	990	4,950	9,900	99,000	2.68	3.45
11 to 11-1/2 years	496.50	993	4,965	9,930	99,300	2.70	3.48
11-1/2 to 12 years	498.00	996	4,980	9,960	99,600	2.73	3.57
MATURITY VALUE (12 years from issue date).	\$500.00	\$1,000	\$5,000	\$10,000	\$100,000	2.76

* Calculated on basis of \$1,000 bond (face value).

** Approximate investment yield for entire period from issuance to maturity.