

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 24, 1954

## TREASURY ANNOUNCEMENT REGARDING THE PURCHASE OF SERIES E AND H SAVINGS BONDS BY PERSONAL TRUST ESTATES AND REMOVAL OF OWNERSHIP RESTRICTIONS ON 2½ PERCENT TREASURY BONDS OF 1967-72

To all Banking Institutions and Others Concerned  
in the Eleventh Federal Reserve District:

There is reproduced on the reverse hereof the text of a press statement, dated December 27, 1954, by the Treasury Department concerning the revision of Treasury Department regulations to permit investment in savings bonds of Series E and H by trustees of "personal trust estates," as defined by the Treasury Department, and the removal of restrictions against ownership by commercial banks of two issues of 2½ percent Treasury Bonds of 1967-72 dated June 1 and November 15, 1945, respectively, effective January 1, 1955.

It will be observed that Federal Reserve banks and branches, and the Treasury Department, only, are authorized to issue Series E and H savings bonds inscribed in the names of trustees and that the annual purchase limit of \$20,000 (maturity value) of each series will apply to each trust estate, regardless of the number of beneficiaries. Qualified Treasury Tax and Loan Depositaries may make payment for bonds of Series E and H purchased through them for personal trust estates through Treasury Tax and Loan accounts.

Copies of official amendments to applicable savings bond circulars and a copy of Circular No. 942 announcing these changes and a specimen of the application form for the purchase of Series E and H bonds for personal trust estates containing a **certification to be executed by one or more of the trustees** are enclosed. A supply of the application form and any or all of the amendments pertaining to the purchase of Series E or H savings bonds by trustees and the circular pertaining to the removal of the restrictions on the 2½ percent Treasury Bonds of 1967-72 will be furnished upon request.

Any question concerning the applicability of the Treasury Department definition of "personal trust estates" to a particular trust should be submitted to this bank or the appropriate branch.

Yours very truly,

WATROUS H. IRONS

President

RELEASE MORNING NEWSPAPERS,

Monday, December 27, 1954.

The Treasury Department today announced changes in the regulations governing Series E and H United States Savings Bonds to permit their purchase by "Personal Trust Estates." The change is effective January 1, 1955.

Formerly, sales of Series E and H Savings Bonds have been limited to individuals either as owners, co-owners or beneficiaries. "Personal Trust Estates" are generally trusts created by individuals for the benefit of themselves or other individuals, and the amended regulations extend to such trusts the same privilege of purchasing Series E and H Bonds as was given previously only to individual savers. The annual purchase limit of \$20,000 (maturity value) of each series which applies to individual owners will also apply to a single trust estate, regardless of the number of beneficiaries.

The Treasury emphasized that the change in the regulations does not include under its terms pension, annuity, profit sharing and other similar trusts. Series J and K Savings Bonds are of course available for all these types of purchasers, with a limit of \$200,000 and interest at about  $2\frac{3}{4}$  percent if held to maturity. Exact definitions as to eligibility are contained in the amendment to the offering circular on the bonds.

Only the Treasury Department and the Federal Reserve Banks and Branches will issue Series E and H Bonds to the trustees. Other issuing agents will not issue such bonds to "Personal Trust Estates." However, banking institutions generally may accept applications for transmittal to Federal Reserve Banks for the purchase of the bonds by such trusts.

The Treasury also announced, effective January 1, 1955, the removal of the restrictions against bank ownership of the outstanding  $2\frac{1}{2}$  percent bonds of June and December 1967-72, amounting to \$1,888,000,000 and \$3,820,000,000, respectively. These are the only two issues of marketable securities sold during World War II which are not now eligible for bank ownership. The removal of the restrictions will provide a broader market for these securities.

# APPLICATION BY PERSONAL TRUST ESTATE FOR UNITED STATES SAVINGS BONDS — SERIES E OR SERIES H

BONDS TO BE ISSUED ONLY BY FEDERAL RESERVE BANKS OR BRANCHES OR TREASURY DEPARTMENT

To: Federal Reserve Bank, Station K, Dallas, Texas

or —  
The \_\_\_\_\_ Branch  
El Paso Houston San Antonio

The undersigned hereby applies for United States Savings Bonds of Series E or Series H (issued pursuant to Treasury Department Circulars No. 653, revised, or No. 905, respectively) as follows:

Specify series and denominations desired by completing the appropriate section below:

## ☐ SERIES E

Number of Bonds	Denomination (Maturity Value)	Issue Price (Each Bond)	Amount (Total Cost)
_____	\$25	\$18.75	\$ _____
_____	\$50	\$37.50	\$ _____
_____	\$100	\$75.00	\$ _____
_____	\$200	\$150.00	\$ _____
_____	\$500	\$375.00	\$ _____
_____	\$1,000	\$750.00	\$ _____
_____	\$10,000	\$7,500.00	\$ _____
Total amount of purchase			\$ _____

## ☐ SERIES H

Number of Bonds	Denomination and Issue Price (Each Bond)	Amount (Total Cost)
_____	\$500	\$ _____
_____	\$1,000	\$ _____
_____	\$5,000	\$ _____
_____	\$10,000	\$ _____
Total amount of purchase		\$ _____

See below for authorized inscriptions. Bonds to be inscribed (Please print or write legibly):

Special instructions, if any, for delivery of bonds \_\_\_\_\_

Address for mailing interest checks (Series H only) \_\_\_\_\_

## CERTIFICATION BY TRUSTEE(S)

I (we) hereby certify that the trust estate named herein was established by a natural person(s) in his own right, and that a natural person in his own right is the income beneficiary (or one of the income beneficiaries) during the existence of the trust.

\_\_\_\_\_  
(Signature of One or More Trustees)

Date \_\_\_\_\_

\_\_\_\_\_  
(Address)

## METHOD OF PAYMENT

☐ Charge our Treasury Tax and Loan Account per attached advice Form FA-794. (Depository bank only)

\_\_\_\_\_  
(Name of Bank)

☐ By charge to our reserve account hereby authorized

By \_\_\_\_\_

\_\_\_\_\_  
(President-Cashier)

☐ Draft enclosed on

\_\_\_\_\_  
(Address)

## AUTHORIZED INSCRIPTIONS

The bonds should be inscribed in the name of the trustee(s) with an appropriate reference to the trust instrument or other authority creating the trust, for example:

1. "John Doe and Jane Doe, Trustees for Mary Doe under trust agreement dated \_\_\_\_\_, Blank, Texas."
2. "First National Bank, Blank, Texas, Trustee for Sara Doe under trust agreement dated \_\_\_\_\_, Blank, Texas."
3. "John Doe and Jane Doe, Trustees under the will of Sara Doe, deceased, for the benefit of Mary Doe, Blank, Texas."
4. "First National Bank, Blank, Texas, Trustee under the will of Sam Doe, deceased, for the benefit of Mary Doe, Blank, Texas."

**REMOVAL OF RESTRICTIONS AS TO OWNERSHIP OF CERTAIN  
TREASURY BONDS BY COMMERCIAL BANKS WHICH ACCEPT  
DEMAND DEPOSITS**

1954  
Department Circular No. 942  

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Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT  
Office of the Secretary  
Washington, December 22, 1954

**I. ENUMERATION OF DEPARTMENT CIRCULARS AND TREASURY  
BOND ISSUES AFFECTED**

1. The Department circulars affected by this circular and the Treasury Bonds which they govern are as follows:

No. 768 2½ per cent Treasury Bonds of 1967-72 (dated June 1, 1945)

No. 776 2½ per cent Treasury Bonds of 1967-72 (dated Nov. 15, 1945)

**II. REMOVAL OF RESTRICTIONS**

1. Each of the circulars enumerated in Section I hereof provides that the bonds issued thereunder may not be transferred to or be held by commercial banks, which were defined for this purpose as banks accepting demand deposits, before June 15, 1962, and December 15, 1962, respectively, except to the extent and in the manner set forth in the governing circulars. All restrictions against the ownership by commercial banks of the bonds issued pursuant to said circulars are hereby removed, effective January 1, 1955.

G. M. HUMPHREY,  
Secretary of the Treasury.

# REGULATIONS GOVERNING UNITED STATES SAVINGS BONDS

1954  
Fourth Amendment to  
Department Circular No. 530  
Seventh Revision, dated  
May 21, 1952

Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, November 18, 1954

To Owners of United States Savings Bonds, and Others Concerned:

Section 315.4 (a) and Section 315.45 (b) (2) of Department Circular No. 530, Seventh Revision, dated May 21, 1952 (31 CFR, 1952 Supp., 315), as amended, are hereby amended, effective January 1, 1955, to read as follows:

Sec. 315.4 (a). *Forms of registration.*—Except as provided in subparagraphs (4), (5), and (6) hereof, bonds of Series E and H may be registered only in the names of individuals (natural persons), whether adults or minors, in their own right in one of the following forms:

(1) ONE PERSON: In the name of one person, for example:  
“John A. Jones.”

(2) TWO PERSONS—COOWNERSHIP FORM: In the names of two (but not more than two) persons in the alternative as coowners, for example:  
“John A. Jones OR Mrs. Ella S. Jones.”

No other form of registration establishing coownership is authorized.

(3) TWO PERSONS—BENEFICIARY FORM: In the name of one (but not more than one) person, payable on death to one (but not more than one) other person, for example:  
“John A. Jones, payable on death to Miss Mary E. Jones.”

“Payable on death to” may be abbreviated “p.o.d.” The first person named is hereinafter referred to as the owner or registered owner, and the second person named as the beneficiary or designated beneficiary.

(4) TREASURER OF THE UNITED STATES AS COOWNER OR BENEFICIARY: In the name of the owner with the Treasurer of the United States as coowner or as beneficiary. A bond so registered may not be reissued to eliminate or change the coowner or the beneficiary, and upon the death of the owner will become the property of the United States.

(5) TRUSTEES OF AN EMPLOYEES' SAVINGS PLAN (SERIES E ONLY): In the name and title of the trustee or trustees of an employees' savings plan or any similar trust for the accumulation of employees' savings (see Sec. 316.6a of Department Circular No. 653, Third Revision, as amended), substantially in accordance with the provisions of Sec. 315.5 (b).

(6) TRUSTEES OF A PERSONAL TRUST ESTATE: In the name and title of the trustee or trustees of a personal trust estate in a form substantially in accordance with the provisions of Sec. 315.5 (b) (1), insofar as applicable. The term “personal trust estate” as used herein is defined to mean, and is limited to, trust estates established by individuals, that is, natural persons in their own right, for the benefit of themselves or other such individuals, and common trusts comprised in whole or in part of such trust estates.

Sec. 315.45 (b) Reissue during the lives of both coowners.—\*\*\*

(2) If the bond is of a series which may be originally issued in the name of a trustee, it may be reissued in the name of a trustee of a living trust created by both coowners for the benefit of both, in whole or in part, during their lifetime whether or not containing an absolute power of revocation in the grantors. Requests for reissue under this provision should be made on Form PD 1851 and will not be approved unless both coowners are of full age and legally competent.

(Signed) A. N. OVERBY  
Acting Secretary of the Treasury



# UNITED STATES SAVINGS BONDS

## SERIES E

1954  
Second Amendment to  
Department Circular No. 653  
Third Revision, dated  
April 29, 1952

Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, November 18, 1954

Sections 316.2, 316.6, 316.9 and 316.10 (a) of Department Circular No. 653, Third Revision (31 CFR, 1952 Supp., 316), as amended, are hereby amended, effective January 1, 1955, to read as follows:

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, \$10,000 and \$100,000, which is designed primarily for trustees of employees' savings plans under Section 316.6a, but may also be used in connection with authorized reissue transactions. 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. 316.6. *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, except that the Treasurer of the United States may be designated as coowner or beneficiary, and except further that such bonds may be registered in the name and title of the trustee or trustees of an employees' savings plan as provided in Section 316.6a and in the name and title of the trustee or trustees of a personal trust estate. The term "personal trust estate" as used herein is defined to mean, and is limited to, trust estates established by individuals, that is, natural persons in their own right, for the benefit of themselves or other such individuals, and common trusts comprised in whole or in part of such trust estates. Full information regarding authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.

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

Denomination . . .	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000.00	\$100,000.00 <sup>1</sup>
(maturity value)								
Issue Price . . .	\$18.75	\$37.50	\$ 75.00	\$150.00	\$375.00	\$ 750.00	\$ 7,500.00	\$ 75,000.00

Sec. 316.10. *Purchase of bonds.*—\* \* \*

(a) *Over-the-counter for cash:* (1) For individuals (natural persons) only (i) at such incorporated banks, trust companies and other agencies as have been duly qualified as issuing agents, and (ii) at selected United States post offices; and (2) for individuals (natural persons) or trustees of employees' savings plans (see Section 316.6a) and trustees of personal trust estates (see Section 316.6 (a)) at Federal Reserve Banks and Branches and at the Treasury Department, Washington 25, D. C.

<sup>1</sup>For limited use of \$100,000 denomination see Sec. 316.2.

(Signed) A. N. OVERBY  
Acting Secretary of the Treasury

# UNITED STATES SAVINGS BONDS

## SERIES H

1954  
Department Circular No. 905  
First Amendment  

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Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, November 18, 1954

Section 332.6 (a) of Department Circular No. 905, dated May 21, 1952 (31 CFR, 1952 Supp., 332), is hereby amended, effective January 1, 1955, to read as follows:

Sec. 332.6. *Registration.*—(a) *Authorized forms.*—Bonds of Series H 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, except that the Treasurer of the United States may be designated as coowner or beneficiary, and except further that such bonds may be registered in the name and title of the trustee or trustees of a personal trust estate. The term “personal trust estate” as used herein is defined to mean, and is limited to, trust estates established by individuals, that is, natural persons in their own right, for the benefit of themselves or other such individuals, and common trusts comprised in whole or in part of such trust estates. Full information regarding authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.

(Signed) A. N. OVERBY  
*Acting Secretary of the Treasury*