

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 3, 1958

**SALE OF SERIES E AND H SAVINGS BONDS
TO NONINDIVIDUAL INVESTORS**

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

In accordance with the recent announcement of the Treasury Department, savings bonds of Series E and H are now available to investors, other than commercial banks, as defined in Treasury Department Circulars Nos. 653 and 905. Nonindividual investors will be permitted to buy up to \$10,000 per year (maturity value) of Series E or Series H savings bonds, which is the same annual purchase limit applicable to individuals. Specimen application forms for the purchase of these bonds by nonindividual purchasers are enclosed. An additional supply may be requested from this bank or appropriate branch.

We are informed by the Treasury Department that Treasury Department Circular No. 530, Regulations Governing United States Savings Bonds, has been revised. As soon as a supply of the revised circular is received, a copy will be mailed to each issuing agent and to others concerned.

We are enclosing copies of the First Amendments to Department Circulars Nos. 653 and 905. The principal change in Treasury Department Circular No. 653 is a slight restriction on the authority of qualified issuing agents. They will now be authorized to issue bonds only in the name or names of natural persons in their own right. **Specifically, an issuing agent will no longer be authorized to issue bonds in the names of persons under guardianship, custodianship, etc.** Applications for bonds to be inscribed in this form, as well as those for all nonindividual investors, should be forwarded to the Federal Reserve Bank of Dallas or appropriate branch for issue.

Additional copies of the First Amendments to Treasury Department Circulars Nos. 653 and 905 will be furnished upon request.

Yours very truly,

Watrous H. Irons

President

UNITED STATES SAVINGS BONDS

SERIES E

1957
First Amendment to
Department Circular No. 653
Fourth Revision, dated
April 22, 1957

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, December 23, 1957

Sections 316.7, 316.8, and 316.11(a) of Department Circular No. 653, Fourth Revision, dated April 22, 1957 (31 CFR 316), are hereby amended effective January 1, 1958, to read as follows:

Sec. 316.7. *Registration.*—(a) *General.*—Generally, only residents (whether natural persons or others) of the United States, its territories and possessions, the Commonwealth of Puerto Rico, the Canal Zone and citizens of the United States temporarily residing abroad are eligible to invest in bonds of Series E. Full information regarding eligibility to invest in savings bonds, and authorized forms of registration and rights thereunder, will be found in the regulations currently in force governing United States Savings Bonds.¹

(b) *Individuals.*—The bonds may be registered in the names of natural persons (whether adults or minors) in their own right, in single ownership, coownership, and beneficiary form.

(c) *Others (only in single ownership form).*—The bonds may also be registered as follows:

(1) *Fiduciaries.*—In the name 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 duty, obligation or service.

(2) *Private and public organizations.*—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.

Sec. 316.8. *Limitation on holdings.*—The limits on the amount of bonds of Series E originally issued during any one calendar year that may be held by any one person at any one time (which will be computed in accordance with the regulations currently in force governing United States Savings Bonds) are:

(a) *General limitation.*—\$10,000 (maturity value) for the calendar year 1958 and each calendar year thereafter.

(b) *Special limitation applicable to employees' savings plans.*—\$2,000 (maturity value) multiplied by the highest number of participants in an employees' savings plan (as defined below)² at any time during the year in which the bonds are issued.

1. *Definition of plan and conditions of eligibility.*—

(i) The employees' savings plan must have been established by the employer for the exclusive and irrevocable benefit of his employees or their beneficiaries, afford employees the means of making regular savings from their wages through payroll deductions, and provide for employer contributions to be added to such savings.

(ii) The entire assets thereof must be credited to the individual accounts of participating employees and assets credited to the account of an employee may be distributed only to him or his beneficiary, except as otherwise provided herein.

(iii) Bonds of Series E may be purchased only with assets credited to the accounts of participating employees and only if the amount taken from any account at any time for that purpose is equal to the purchase price of a bond or bonds in an authorized denomination or denominations, and shares therein are credited to the

¹Department Circular No. 530.

²No other investor is authorized to hold bonds in excess of the general limitation.

accounts of the individuals from which the purchase price thereof was derived, in amounts corresponding with their shares. For example, if \$37.50 credited to the account of John Jones is commingled with funds credited to the accounts of other employees to make a total of \$7,500, with which a bond of Series E in the denomination of \$10,000 (maturity value) is purchased in June 1958 and registered in the name and title of the trustee or trustees, the plan must provide, in effect, that John Jones' account shall be credited to show that he is the owner of a bond of Series E in the denomination of \$50 (maturity value) bearing issue date of June 1, 1958.

(iv) Each participating employee shall have an irrevocable right at any time to demand and receive from the trustee or trustees all assets credited to his account or the value thereof, if he so prefers, without regard to any condition other than the loss or suspension of the privilege of participating further in the plan, except that a plan will not be deemed to be inconsistent herewith, if it limits or modifies the exercise of any such right by providing that the employer's contribution does not vest absolutely until the employee shall have made contributions under the plan in each of not more than sixty calendar months succeeding the month for which the employer's contribution is made.

(v) Upon the death of an employee, his beneficiary shall have the absolute and unconditional right to demand and receive from the trustee or trustees all the assets credited to the account of the employee, or the value thereof, if he so prefers.

(vi) When settlement is made with an employee or his beneficiary with respect to any bond of Series E registered in the name and title of the trustee or trustees in which the employee has a share (see (ii) hereof), the bond must be submitted for redemption or reissue to the extent of such share; if an employee or his beneficiary is to receive distribution in kind, bonds bearing the same issue dates as those credited to the employee's account will be reissued in the name of the distributee to the extent to which he is entitled, in authorized denominations, in any authorized form of registration, upon the request and certification of the trustee or trustees in accordance with the provisions of the regulations governing United States Savings Bonds.

2. *Definitions of terms used in this section and related provisions.—*

(i) The term "savings plan" includes any regulations issued under the plan with regard to bonds of Series E; a copy of the plan and any such regulations, together with a copy of the trust agreement certified by a trustee to be true copies, must be submitted to the Federal Reserve Bank of the District in order to establish the eligibility of the trustee or trustees to purchase bonds in excess of the general limitation in any calendar year.

(ii) The term "assets" means all funds, including the employees' contributions and the employer's contributions and assets purchased therewith as well as accretions thereto, such as dividends on stock, the increment in value on bonds and all other income; but, notwithstanding any other provision of this section, the right to demand and receive "all assets" credited to the account of an employee shall not be construed to require the distribution of assets in kind when it would not be possible or practicable to make such distribution; for example, bonds of Series E may not be reissued in unauthorized denominations, and fractional shares of stock are not readily distributable in kind.

(iii) The term "beneficiary" means the person or persons, if any, designated by the employee in accordance with the terms of the plan to receive the benefits of the trust upon his death or the estate of the employee, and the term "distributee" means the employee or his beneficiary.

Sec. 316.11. *Purchase of Bonds.—*

(a) *Over-the-counter for cash:* (1) For natural persons in their own right 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 all eligible purchasers, at Federal Reserve Banks and Branches and at the Treasury Department, Washington 25, D. C.

JULIAN B. BAIRD,
Acting Secretary of the Treasury.

UNITED STATES SAVINGS BONDS

SERIES H

1957
First Amendment to
Department Circular No. 905
Revised, dated
April 22, 1957
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, December 23, 1957

Section 332.8 of Department Circular No. 905, Revised, dated April 22, 1957 (31 CFR 332), is hereby amended effective January 1, 1958, to read as follows:

Sec. 332.8 *Registration.*—(a) *General.*—Generally, only residents (whether natural persons or others) of the United States, its territories and possessions, the Commonwealth of Puerto Rico, the Canal Zone and citizens of the United States temporarily residing abroad are eligible to invest in bonds of Series H. Full information regarding eligibility to invest in savings bonds, and authorized forms of registration and rights thereunder, will be found in the regulations currently in force governing United States Savings Bonds.*

(b) *Individuals.*—The bonds may be registered in the names of natural persons (whether adults or minors) in their own right, in single ownership, coownership, and beneficiary form.

(c) *Others (only in single ownership form).*—The bonds may also be registered as follows:

(1) *Fiduciaries.*—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 duty, obligation or service.

(2) *Private and public organizations.*—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.

*Department Circular No. 530.

JULIAN B. BAIRD,
Acting Secretary of the Treasury.