

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 31, 1958

## To all Savings Bond Issuing and Paying Agents in the Eleventh Federal Reserve District:

There is quoted below a statement by the Secretary of the Treasury relative to the use of proceeds of matured Series F and G savings bonds for purchase of Series E and H savings bonds.

Please note that, after December 1, 1958, all holders (except commercial banks) may use the proceeds from matured Series F and G savings bonds for purchase of Series E or H savings bonds, which will be exempt from the annual limitation as to holdings.

"The Secretary of the Treasury today announced that effective December 1, 1958, the privilege of applying the proceeds of Series F and G savings bonds, at or after maturity, to the purchase of Series E or H bonds without regard to the annual limitation of \$10,000 (maturity value) for each series will be extended to all holders of outstanding Series F and G bonds, except commercial banks.

"Under this privilege all holders of Series F and G bonds, except commercial banks, can purchase Series E or H bonds or a combination of both up to such denominational amounts as the proceeds of their matured bonds will fully cover, until further notice. This can be accomplished by presenting the Series F and G bonds to any Federal Reserve Bank or Branch.

"Series E or H bonds so purchased will be dated as of the first day of the month in which the matured Series F or G bonds are presented for payment. In order to preserve the continuity of their investment, holders of the maturing bonds are urged to present them for reinvestment of the proceeds during the month in which they mature.

"This reinvestment privilege has been afforded since September 1, 1958, only to individuals and personal trust estates and has applied only to Series F and G bonds maturing on and after that date. The new extension applies to all matured Series F and G bonds not previously presented for redemption, and extends the privilege to a larger group of investors, including, among others, all trust estates (including pension and retirement trusts), guardianship and similar estates, partnerships, public and private corporations, and unincorporated associations.

"This further change in the savings bond program has been made so that all long-time owners of Series F and G bonds can keep their savings bond holdings intact through reinvestment, and add to them through new purchases under the current annual limitation."

Enclosed are copies of amendments to Treasury Department Circulars Nos. 530, Eighth Revision, 653, Fourth Revision, and 905, Revised. Additional copies will be furnished upon request.

The bonds, with requests for payment properly signed and certified, should be accompanied by an application form indicating the number, denomination, and disposition to be made of the new bonds.

Yours very truly,

Watrous H. Irons

President