

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 18, 1965

PAYMENT OF FINAL INTEREST ON REGISTERED TREASURY SECURITIES

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

There is quoted below a press statement issued by the Treasury Department on January 15, in regard to a change in the method of making final interest payments on registered securities:

A change in the method of making final interest payments on all the Treasury's registered marketable securities will become effective for the first time on the 2½ percent bonds remaining for redemption on February 15, the Treasury said today.

The revised regulations were published on December 30, 1964, and will speed up payments of final interest and result in a uniform method covering periodic interest payments of registered Treasury securities.

Heretofore the final interest payment on these securities has been paid with the principal instead of by separate check as was the case with prior interest payments. The final interest installment will be paid under the new regulations by Treasury check in the same manner as all earlier interest installments have been paid: That is, it will be paid on the maturity date by check payable to the holder of record on the Department's books at the close of business one full month prior to that date.

This means that purchasers of registered securities during the month preceding maturity will no longer receive the final interest payment. Accordingly, purchases during the month preceding maturity will involve adjustments on account of accrued interest just as adjustments have been necessary on purchases of registered securities during the final month of any other interest period.

Yours very truly,

Watrous H. Irons

President