

**FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

**DALLAS, TEXAS 75222**

Circular No. 68-270  
December 20, 1968

To the Chief Executive Officer  
of the Paying Agent Addressed:

Treasury Department Circular No. 888, Third Revision, dated December 2, 1968, entitled "Regulations Governing Payment Under Special Endorsement of U. S. Savings Bonds and U. S. Savings Notes (Freedom Shares)" is enclosed. This circular has been retitled and amended as necessary to include U. S. Savings Notes (Freedom Shares).

Additional copies may be obtained from this Bank upon request.

FEDERAL RESERVE BANK OF DALLAS  
Fiscal Agent of the United States

Enclosure

# FEDERAL REGISTER

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PART II

## DEPARTMENT OF THE TREASURY

Fiscal Service, Bureau of the Public Debt

### U.S. Savings Bonds and U.S. Savings Notes (Freedom Shares)

(Dept. Circ. 888, 3d Rev.,  
and Memorandum  
of Instructions.)



# Title 31—MONEY AND FINANCE: TREASURY

## Chapter II—Fiscal Service, Department of the Treasury

### SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

#### PART 330—REGULATIONS GOVERNING PAYMENT UNDER SPECIAL ENDORSEMENT OF U.S. SAVINGS BONDS AND U.S. SAVINGS NOTES (FREEDOM SHARES)

The regulations set forth in Treasury Department Circular No. 888, Second Revision, dated April 7, 1964 (31 CFR, Part 330), have been further revised and amended as shown below. These changes were effected under authority of section 22 of the Second Liberty Bond Act, as amended (49 Stat. 21, as amended; 31 U.S.C. 757c). This revision was effected pursuant to 5 U.S.C. 301. Notice and public procedures thereon are unnecessary as public property and contracts are involved.

Dated: December 2, 1968.

JOHN K. CARLOCK,  
Fiscal Assistant Secretary.

Treasury Department Circular No. 888, Second Revision, dated April 7, 1964 (31 CFR, Part 330), entitled: "Regulations Governing the Special Endorsement of United States Savings Bonds of Any Series and the Payment of Matured Series F, G, J, and K Bonds by Eligible Paying Agents," is hereby retitled and otherwise amended to include U.S. Savings Notes (Freedom Shares), and issued as a Third Revision, as follows:

Sec.	Purpose of regulations.
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330.1	Securities eligible for processing.
330.2	Guaranty given to the United States.
330.3	Evidence of owner's authorization to agent.
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330.8	Modification of other circulars.
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**AUTHORITY:** The provisions of this Part 330 issued under secs. 330.0 to 330.11 issued under authority of sec. 22 of the Second Liberty Bond Act, as amended, 49 Stat. 21, as amended; 31 U.S.C. 757c.

#### § 330.0 Purpose of regulations.

These regulations in this Part prescribe a procedure whereby qualified paying agents may specially endorse U.S. Savings Bonds of certain classes, and U.S. Savings Notes (Freedom Shares), with or without the owners' signatures to the requests for payment, and pay the bonds and notes so endorsed, or forward them to the Federal Reserve Bank or Branch servicing their accounts for payment or for any authorized exchange. § 330.2 describes the eligibility of various classes of bonds for processing under the procedure provided in this circular, and

§ 330.7 sets out which of these classes may be paid by such agents and which should be forwarded to a Federal Reserve Bank or Branch. Under no circumstances shall the provisions of this part be used to give effect to a transfer, hypothecation, or pledge of a bond or note, or to permit payment to any person other than the owner or coowner. Violation of these prohibitions will be cause for the withdrawal of an agent's privilege to process any bonds and notes under this part.

#### § 330.1 Agents eligible to process bonds and notes.

(a) *New applications.* Any institution qualified as a paying agent of U.S. Savings Bonds and U.S. Savings Notes under the provisions of Department Circular No. 750, as revised, may establish its eligibility to employ the procedure authorized by this circular upon application on Treasury Department Form PD 3902 to the Federal Reserve Bank of the District in which it is located. This form provides a certification that by duly executed resolution of its governing board or committee the institution has been authorized to apply for the privilege of processing and paying bonds and notes in accordance with the provisions and conditions of Department Circular No. 888, including all supplements, amendments, and revisions thereof, and any instructions issued in connection therewith. If the application is approved, the Federal Reserve Bank will so notify the institution on Treasury Department Form PD 3903. The Secretary of the Treasury reserves the right to withdraw from any institution at any time the authority granted thereto under the regulations in this part.

(b) *Agents previously qualified.* Any financial institution qualified and acting under any previous revision of this part will not be required to qualify separately to process savings notes. If such institution affixes its special endorsement on a savings note, it shall be presumed that its governing board or committee had undertaken appropriate action to authorize extension to savings notes of the terms and conditions of its previous qualification to process savings bonds under this part. The granting of credit by the Federal Reserve Bank or Branch, acting as fiscal agent of the United States, for the redemption of any such savings notes pursuant to special endorsement shall constitute qualification of the agent.

#### § 330.2 Securities eligible for processing.

The procedure provided in the regulations in this part may be employed in connection with the redemption or exchange (where authorized) of any savings bond, or the redemption of any savings note, upon the request of its registered owner or either coowner. The term "owner" is defined to include individuals, and where such registration is authorized, incorporated and unincorporated bodies, executors, administrators, and other fiduciaries named on a bond or note. This procedure does not apply, however, to cases where payment (or ex-

change in the case of bonds) is requested by a parent in behalf of a minor named on a security as owner. Also, it does not apply to requests made by surviving beneficiaries, or to any cases requiring a death certificate or other documentary evidence.

#### § 330.3 Guaranty given to the United States.

A paying agent, by the act of paying or presenting to the Federal Reserve Bank or Branch for payment a bond or note, or for exchange a bond, on which it has affixed the special endorsement, shall be deemed thereby to have (a) unconditionally guaranteed to the United States the validity of the transaction, including the identification of the owner and the disposition of the proceeds or the new bonds, as the case may be, in accordance with his instructions, (b) assumed complete and unconditional liability to the United States for any loss which may be incurred by the United States as a result of the transaction, and (c) unconditionally agreed to make prompt reimbursement for the amount of any such loss upon request of the Department of the Treasury.

#### § 330.4 Evidence of owner's authorization to agent.

By the act of paying or presenting to the Federal Reserve Bank or Branch a security on which it has affixed the special endorsement described in § 330.5, the paying agent represents to the United States that it has obtained adequate instructions from the owner with respect to payment of the bond or note, and disposition of its proceeds, or exchange of the bond, as the case may be. To support this representation, agents should maintain such records as may be necessary to establish the receipt of such instructions, as well as records establishing compliance therewith.

#### § 330.5 Endorsement of securities.

Each security processed under these regulations in this part shall bear the following endorsement:

Request by owner and validity of transaction guaranteed in accordance with T.D. Circular No. 888, as revised.

(Name and location of agent)

This endorsement must be placed on the back of the bond or note in the space provided for the owner to request payment. (See § 330.6 for additional instructions covering securities inscribed in coownership form.) The endorsement stamp must be legibly impressed in black or other dark-colored ink. The Federal Reserve Bank of the District will furnish rubber stamps for impressing the above endorsement or, in lieu thereof, will approve designs for suitable stamps to be obtained by paying agents. Requests for endorsement stamps to be furnished or approved by the Federal Reserve Bank shall be made in writing by an officer of the institution. Stamps heretofore in use may continue to be utilized.

§ 330.6 Securities in coownership form.

In addition to the endorsement prescribed in § 330.5, the paying agent shall, in the case of bonds and notes registered in coownership form, indicate which coowner requested payment or exchange. This should be done by encircling in black or other dark-colored ink the name of such coowner (or both coowners, if a joint request for payment or exchange is made) as it appears in the inscription on the face of the securities.

§ 330.7 Payment or exchange.

(a) *By paying agents*—(1) *Payment of Series A-E bonds, inclusive, and savings notes for cash.* Bonds of Series A to E, inclusive, and savings notes, on which it has affixed the special endorsement may be paid by a qualified paying agent pursuant to the authority and subject, in all other respects, to the provisions and conditions of Department Circular No. 750, as revised, and the instructions issued pursuant thereto. Bonds and notes so paid will be combined with other Series A to E bonds and notes paid under that circular and forwarded to the Federal Reserve Bank or Branch servicing the agent's account.

(2) *Payment of matured Series F, G, J, and K bonds.* Matured savings bonds of Series F, G, J, and K on which it has affixed the special endorsement may be paid by a qualified paying agent, provided they are of a class eligible for this procedure under § 330.2. Such payments, fees for which will not be paid to the agents, shall be made in accordance with the following provisions:

(i) A Series F or J bond shall be paid at its face value.

(ii) A Series G or K bond shall be paid at its face value, together with the final interest due thereon, as shown below:

Authorized denominations	Amount payable (face value plus final interest)	
	Series G	Series K
\$100 (Series G only).....	\$101.25	
\$500.....	506.25	\$506.90
\$1,000.....	1,012.50	1,013.80
\$5,000.....	5,062.50	5,069.00
\$10,000.....	10,125.00	10,138.00
\$100,000 (Series K only).....		101,380.00

(iii) Each bond shall bear on its face, in the upper right portion, a payment stamp setting forth the word "PAID" and the amount of the payment (including the final interest on Series G and K bonds), the date of payment (month, day, year), and the name and location of the paying agent including the ABA transit number or other identifying code approved or assigned by the Federal Reserve Bank of the District (the payment stamp prescribed for use under Department Circular No. 750, as revised, may be used).

(iv) Paying agents shall be subject to such other instructions governing these payments as may be issued by the Federal Reserve Bank of the District.

Immediate settlement, subject to adjustment, will be made with the paying agent by the Federal Reserve Bank or Branch servicing its account for the total amount

of the paid bonds submitted at any one time.

(3) *Payment of Series E and J bonds on redemption-exchange for Series H bonds.* All outstanding Series E bonds, and Series J bonds received not later than 6 months from the month of maturity, presented to a paying agent for redemption-exchange under the provisions of Department Circular No. 1036, as amended, on which it has affixed the special endorsement, may be paid pursuant to the authority and subject, in all other respects, to the provisions and conditions of Department Circular No. 750, as revised, and the instructions issued pursuant thereto.

(b) *By Federal Reserve Banks*—(1) *General.* All securities forwarded by an agent to a Federal Reserve Bank or Branch for payment or exchange under this part must be accompanied by appropriate instructions governing the transaction and the disposition of the redemption checks or the new bonds, as the case may be. The bonds and notes must be kept separate from any others the agent has paid, and they must be presented in accordance with such instructions as may be issued by the Federal Reserve Bank of the District.

(2) *Payment.* The Federal Reserve Bank or Branch servicing an agent's account shall pay securities which it receives from such agent on which the latter has affixed its special endorsement under the provisions and conditions of this part. Such securities are (i) those not payable under paragraph (a) of this section, or (ii) those the agent does not elect to pay, although eligible for payment thereunder.

(3) *Exchange.* The Federal Reserve Bank or Branch shall pay Series E and J bonds presented for redemption-exchange which an agent elects to process, but not to pay, under paragraph (a) (3) of this section, as well as any savings bonds submitted for exchange, in whole or in part, pursuant to an authorized exchange offering and processed by special endorsement under this part.

§ 330.8 Functions of Federal Reserve Banks.

The Federal Reserve Banks, as fiscal agents of the United States, are authorized and directed to perform such duties, and prepare and issue such instructions, as may be necessary for the fulfillment of the purpose and requirements of this part. The Federal Reserve Banks may utilize any or all of their branches in the performance of these duties.

§ 330.9 Modification of other circulars.

The provisions of these regulations in this part shall be considered as amendatory of, and supplementary to, Department Circulars Nos. 530, 653, 654, 750, 751, 885, 905, and 906, and any revisions thereof, and those circulars are hereby modified where necessary to accord with the provisions hereof.

§ 330.10 Other circulars generally applicable.

Except as provided in these regulations in this part, the circulars referred to in

the preceding section will continue to be generally applicable.

§ 330.11 Supplements, amendments or revisions.

The Secretary of the Treasury may at any time, or from time to time, supplement, amend or revise the terms of these regulations in this part.

MEMORANDUM OF INSTRUCTIONS ISSUED IN CONJUNCTION WITH DEPARTMENT CIRCULAR No. 888, THIRD REVISION

FISCAL SERVICE, BUREAU OF THE PUBLIC DEBT

The Department of the Treasury,  
Office of the Secretary,  
Washington, D.C.

DECEMBER 2, 1968.

1. *General*—(a) *Purpose.* This memorandum has been prepared for the guidance of paying agents qualified under Department Circular No. 888, Third Revision, the regulations governing the payment by special endorsement of U.S. Savings Bonds and U.S. Savings Notes (Freedom Shares). It both explains and supplements the circular, and acquaints paying agents with the objectives of the special endorsement procedure.

(b) *Liability assumed by agents using special endorsement.* An eligible agent which pays or processes securities by special endorsement, undertakes thereby, under section 330.3 of Department Circular No. 888, Third Revision, to guarantee the owner's request and the validity of the transaction.

(c) *Options available to agents.* Each paying agent authorized under Department Circular No. 750, as revised, to redeem savings bonds and notes has the option of deciding whether or not to apply for qualification to use the special endorsement procedure, and, even after being qualified, whether or not to exercise its authority in any given case.

2. *Scope of regulations.* Department Circular No. 888, Third Revision, prescribes a special endorsement which a qualified paying agent may place upon any series of savings bonds and upon notes, except as otherwise provided in paragraph 4 hereof, so that regardless of whether or not the request for payment is signed by the owner, the paying agent may pay them or present them to a Federal Reserve Bank for payment or exchange.

3. *Meaning of terms.* For the purpose of this memorandum (unless otherwise indicated either specifically or by context) the terms:

(i) "Bond(s)" and "note(s)" mean U.S. Savings Bond of any series, and U.S. Savings Note (Freedom Share), respectively, referred to collectively as "securities", which an "eligible agent" is permitted to "specially endorse".

(ii) "Eligible agent(s)" or "agent(s)" means any paying agent of savings bonds which, upon application, has been duly qualified by the Federal Reserve Bank of its district to process savings bonds and notes by special endorsement under the provisions of Department Circular No. 888, as revised.

(iii) "Special endorsement" means the endorsement prescribed in § 330.5 of Department Circular No. 888, Third Revision.

(iv) "Specially endorse" means the affixing by an eligible agent of the special endorsement to bonds which are to be paid or exchanged, or to notes which are to be paid.

(v) "Exchange" refers to the Series H bond exchange offering.

(vi) "Federal Reserve Bank" refers to the Federal Reserve Bank or Branch servicing the agent's account.

4. *Limitations or qualifications on use of special endorsements.* An eligible agent may, at its discretion, specially endorse a bond which the owner has requested the agent to

pay or exchange or a note for which payment is requested, subject to the following limitations or qualifications:

(i) A security may not be specially endorsed if documentary evidence is required in support of its request for payment. (Subparts O and P of Department Circular No. 580, current revision, provide information as to whether documentary evidence is required to support the request for payment of bonds registered in the name of a fiduciary, private organization (corporation, association, partnership, etc.), or a governmental agency, unit or officer.)

(ii) Documentary evidence is not required where the owner's name has been changed by reason of marriage.

(iii) No bond or note may be specially endorsed upon a parent's request in behalf of a minor child named on the security as the owner.

(iv) A bond inscribed in the name of a bank (in its fiduciary capacity, e.g., trustee, guardian, etc.) which has changed its name, status or designation by merger, consolidation or otherwise may be paid upon verification that approved evidence is on file with the Treasury, and upon advice that such bond is eligible for payment by special endorsement. Such verification and advice will be furnished upon request by the Federal Reserve Bank of the district.

(v) Notwithstanding the provisions of Department Circular No. 888, Third Revision, a bond which requires documentary evidence to support payment may be specially endorsed and presented for exchange without such evidence if the bond is to be exchanged in the full amount for another security with the identical registration.

**5. Instructions from owners.—(a) Receipt.** The Department of the Treasury does not prescribe the form or type of instruction, if any, which an agent obtains from each owner in order to process securities belonging to him by special endorsement. As the agent's liability to the United States for any loss resulting from an erroneous payment would be strictly based on its endorsement, the securing of adequate instructions would be a matter entirely between the agent and its customer. For its protection, agents are cautioned about accepting any authorization by an owner or coowner with respect to a security in beneficiary or coownership form which provides for future execution, rather than for immediate payment or exchange, as such authorization generally expires upon the death of the person giving it.

(b) **Retention of evidence.** Where agents elect to make notations on the back of a security to serve as the record of a transaction in which the special endorsement procedure is used the Department will undertake to produce, upon request, such security, or a photocopy thereof, but it will not assume responsibility for the adequacy of any such notations, the legibility of any photocopy, or for failure to produce the security or photocopy in any particular case where the Department's records have become lost, stolen, or destroyed.

**6. Special endorsement of securities.—(a) Special endorsement stamp.** The Federal Reserve Bank will supply, on the agent's requisition, a limited number of special endorsement stamps described in Department Circular No. 888, Third Revision. Eligible agents may obtain their own endorsement stamps at their expense, provided that (i) the size of the stamp does not exceed a space bounded by 1½ inches in the vertical dimension and 3 inches horizontally, and (ii) the wording of the stamp is exactly as prescribed, plus any code number assigned to the agent by the Federal Reserve Bank. Stamps obtained by an agent may include space for the initials or signature of the employee approving the transaction, the date

of the transaction, etc. Such stamps must not be obtained prior to notification of qualification.

(b) **Placement of stamp.** Each endorsement impression must be legibly made with black or other dark-colored ink, and placed on the back of the security in the general area provided for signing the request for payment. (See paragraph 5(b) of this memorandum for additional notations which an agent may make on the back of a security.)

**7. Designation of coowner requesting transaction.** Whenever a specially endorsed security registered in coownership form has not been signed by the coowner requesting its payment or exchange, his name (or the names of both coowners, if a joint request is made) in the inscription on the face of the security must be circled in black or other dark-colored ink. This practice must be followed whether the agent pays the security or forwards it to the Federal Reserve Bank for payment or for exchange.

**8. Payment of Series A-E bonds and notes by paying agents.** Any bonds of Series A, B, C, D, and E and notes which are specially endorsed may be paid by an agent if the securities are otherwise payable under the authority and provisions of Department Circular No. 750, Second Revision, and the instructions issued in conjunction therewith. However, because of problems relating to tax withholding, securities held or received by the agent for account of a nonresident alien individual, or a nonresident foreign corporation, association or partnership, may not be paid by the agent, but must be forwarded to the Federal Reserve Bank for payment. Each specially endorsed Series A-E bond or savings note paid by an agent must have a payment stamp impressed on the face of the security and show therein the date and amount paid. The paid securities may be forwarded to the Federal Reserve Bank with other paid bonds of Series A-E and notes, as prescribed in Department Circular No. 750, Second Revision, and the instructions issued in conjunction therewith.

**9. Payment of Series F and G and matured J and K bonds by paying agents.—(a) General.** Any bonds of Series F or G, which are all matured, and any matured bonds of Series J or K, may be paid by special endorsement by a qualified agent under the authority and provisions of Department Circular No. 888, Third Revision, and these instructions.

(b) **Limitation on payment authority.** (1) Alteration, irregularity, mutilation, or other defect: An agent may not pay any security bearing a material alteration, irregularity, mutilation, or other defect. There may be instances, however, in which an agent will be willing to endorse and pay bonds which have minor errors or defects, assuming full responsibility therefor, because of the reliability and integrity of the customer, and his explanation of the situation.

(2) Bonds owned by nonresident aliens: An eligible agent may not pay bonds described in this paragraph which are known to be owned by a nonresident alien individual or a nonresident foreign corporation, association, or partnership. Such bonds must be forwarded to the Federal Reserve Bank for payment.

(c) **Amount payable—Series F and J.** The amount payable on any matured bond of Series F or Series J is its denominational or face value.

(d) **Amount Payable—Series G and K.** Any matured Series G or Series K bond is payable at its face value, plus the amount of the final 6 months' interest due for each denomination. The total amount payable for each denomination is set forth in § 330.7(a) (2) (ii) of the circular.

(e) **Recording payment data on bonds.** The amount paid (including final interest in the

case of matured Series G and K bonds), date of payment, and the name, location and assigned code of the paying agent must be recorded on each specially endorsed bond. This requirement is designed to: (i) Facilitate accounting and settlement for paid bonds, (ii) provide permanent supporting evidence of the payment, and (iii) prevent a second presentation for payment of bonds which had become lost or stolen. The payment stamp prescribed for use in connection with Series A-E bonds may be used for this purpose, the impression thereof to be placed upon the face of the bond in the upper right portion thereof. Black or other dark-colored ink must be used in making stamp impressions and recording the amounts of payment. The impression and notations must be legible and free from smears and blurs. Care must be taken to prevent defacing the bond serial number, the name and address of the owner, co-owners, or beneficiary, the issue date, and the issuing agent's validating stamp.

(f) **Forwarding paid bonds to Federal Reserve Bank.** Series F and G and matured J and K bonds paid by special endorsement under Circular No. 888, Third Revision, must be grouped into batches for transmittal to the Federal Reserve Bank or Branch servicing the agent's account. Each batch must contain only bonds of the same letter series paid in the same calendar month and year and have not more than 200 bonds or \$900,000 (redemption value) in amount. A Form PD 2639 must be prepared as the control and transmittal document for each batch. The agent must complete the form to show: (i) The type of bonds ("Paper"); (ii) the letter series; (iii) the date of transmittal; (iv) the month and year the bonds were paid; (v) the number of bonds in the batch; (vi) the amount paid on the bonds; and (vii) the transaction ("Matured F, G, J, or K"). Shipments may be made each day or less frequently, provided that all paid bonds on hand on the last business day of a month must be forwarded to the Federal Reserve Bank not later than the following business day. Specially endorsed bonds sent to a Federal Reserve Bank for payment or exchange must not be intermingled in any batch containing bonds paid by an agent.

(g) **Manner of shipment.** Paid bonds of Series F, G, J, and K, as herein described, may be sent to the Federal Reserve Bank in the same manner in which the agent transmits paid Series A-E bonds. The provisions of the Government Losses in Shipment Act, as amended, and related regulations, will be applicable to these shipments.

(h) **Claims for loss, theft, destruction, or mutilation of paid bonds.** The eligible agent should promptly notify the Federal Reserve Bank of any loss, theft, destruction, or mutilation of bonds of Series F, G, J, or K which it has paid. To obtain relief for any such bonds prior to receipt by the Federal Reserve Bank, the agent must (i) furnish by letter series, the serial number (including prefix and suffix letters), issue date, amount paid and, if available, the registration of each bond; (ii) certify that the prescribed endorsement and payment stamps were duly impressed; and (iii) provide satisfactory evidence of the loss, theft, destruction, or mutilation. The Treasury does not prescribe the form in which records necessary to support requests for relief should be maintained. Agents are authorized to microfilm paid bonds and such film records may be projected upon a screen, but no prints, enlargements or other reproductions may be made except by official permission, which may be obtained from the Federal Reserve Bank. To support each claim, affidavits by employees and statements by officers of the agent as to the circumstances of the preparation and dispatch of bonds, and any known facts as to the loss, theft, destruction, or mutilation must ordinarily be furnished.

(i) *Settlement for paid bonds.* Immediate settlement by credit will be allowed by the Federal Reserve Bank for the total amount of paid bonds received from a paying agent, subject to adjustment following audit and examination by the Bureau of the Public Debt. The credit will be made in the agent's reserve account if it is a member of the Federal Reserve System. If the agent is not a member, credit may be made in the clearing account of the agent, in the reserve or clearing account of a correspondent of the agent, or, if such an account is not available for credit, by check drawn by the Federal Reserve Bank on the Treasurer of the United States.

(j) *Adjustments for paid bonds.* Discrepancies discovered by the Bureau of the Public Debt in the examination and audit of paid bonds will be referred to the Federal Reserve Bank for adjustment, which will be made by (i) charging the reserve or clearing account which an agent has designated for crediting amounts due for paid bonds or (ii) in those

cases where settlement was made by check, either by reducing the amount of the check to be issued in connection with a subsequent transmittal or by requiring the agent to reimburse the Federal Reserve Bank for the amount of the adjustment. The Department of the Treasury will communicate with the agent in the event of an improper payment.

10. *Payment of eligible Series E, F, and J bonds by paying agent in exchange for Series H bonds.* Any bonds of Series E or J which are eligible for redemption by a paying agent in exchange for Series H bonds, and are specially endorsed as prescribed in Department Circular No. 888, Third Revision, may be paid by an agent. The authority of the paying agents to effect redemption-exchanges, as well as complete instructions regarding the conduct of the transactions and the processing of the bonds received for exchange, are contained in Department Circular No. 750, Second Revision, and in the instructions issued in conjunction therewith.

11. *Payment or exchange of bonds of all series and notes by Federal Reserve Banks.—*

(a) *General.* All specially endorsed bonds or notes which an agent does not have authority to pay for cash or to exchange for Series H bonds must be forwarded to the Federal Reserve Bank.

(b) *Payment of bonds or notes.* All bonds and notes specially endorsed by an eligible agent which are to be submitted to the Federal Reserve Bank for payment must be forwarded with appropriate instructions regarding disposition of the check to be issued in payment of the securities. Such securities must be kept separate from paid bonds and notes which the agent submits for settlement by credit. Payment will be made by check drawn on the Treasurer of the United States.

12. *Inquiries.* All inquiries concerning Department Circular No. 888, Third Revision, or this memorandum, may be directed to the Federal Reserve Bank of the district in which the agent is located.

[F.R. Doc. 68-14657; Filed, Dec. 9, 1968; 8:45 a.m.]