

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 79-88
May 16, 1979

INCREASE IN THE INTEREST RATES PAID ON SAVINGS BONDS

TO ALL ISSUING AND PAYING AGENTS OF SAVINGS BONDS
IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

Secretary of the Treasury, W. Michael Blumenthal, announced May 10, 1979 that President Carter has approved an increase in the interest rate paid by the Government on Series E and H savings bonds. Bonds issued on and after June 1 will receive 6 1/2 percent if held to maturity, which will remain at 5 years for E bonds and 10 years for H bonds. The current interest rate is 6 percent.

The annual interest rate on outstanding E and H bonds and U.S. Savings Notes (Freedom Shares) for the remaining period to their next maturity will also be increased by 1/2 percent. The improved rate will be effective for bonds and notes which begin a semiannual interest period on and after June 1.

The rate on the recently announced Series EE and HH bonds, which will go on sale in January 1980, will also be increased to 6 1/2 percent.

Additional copies of this circular will be furnished upon request to the Fiscal Agency Department of this Bank, Ext. 6364.

FEDERAL RESERVE BANK OF DALLAS
Fiscal Agent of the United States

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-492-4403 (intrastate) and 1-800-527-4970 (interstate). For calls placed locally, please use 651 plus the extension referred to above.