



FEDERAL RESERVE BANK
OF DALLAS

TONY J. SALVAGGIO
FIRST VICE PRESIDENT

March 31, 1993

DALLAS, TEXAS 75222

Notice 93-41

TO: The Chief Executive Officer of each
member bank and others concerned in
the Eleventh Federal Reserve District

SUBJECT

Consolidation of U.S. Savings Bond Processing

DETAILS

The U.S. Treasury Department has announced plans to consolidate the processing of U.S. Savings Bonds into five Federal Reserve Banks. The savings bond transactions currently processed by the Federal Reserve Bank of Dallas will be assumed by the Federal Reserve Bank of Kansas City.

This notice is to inform you of the upcoming changes that will occur over an eight-month period beginning in June 1993. The savings bond work will be transferred by functions in phases and we will notify savings bond agents approximately one month before the transition date for each phase. Until such notification, savings bond agents should continue to send savings bond work to our Dallas and Houston Offices under current procedures.

Please note that savings bond redemptions submitted through EZ Clear will not be affected by this consolidation effort. However, all other savings bond processing will be consolidated. Efforts have been under way for quite some time to make this transition as smooth as possible.

ATTACHMENT

Attached is a copy of Treasury Department's announcement.

MORE INFORMATION

If you have any questions regarding this effort, please call our Savings Bond Customer Assistance Section at (800) 627-8266.

For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

A handwritten signature in cursive script that reads "Tony J. Salvaggio".



DEPARTMENT OF THE TREASURY
BUREAU OF THE PUBLIC DEBT
WASHINGTON, D.C. 20239-0001

March 11, 1993

To Savings Bond Issuing and Paying Agents:

The purpose of this letter is to alert you to an important change in the role the Federal Reserve System currently plays in processing U.S. Savings Bonds. Over the next few years, the number of Federal Reserve Offices that handle savings bond transactions will be reduced from 18 to 5 regional processing centers. Your servicing Federal Reserve Bank or Branch will provide you with detailed information about how the change will affect your institution.

The Treasury Department has introduced this change as part of its continuing commitment to strengthening management of the U.S. Savings Bond Program. During the last several years, Treasury's goal has been to modernize the Program while reducing administrative costs and maintaining good customer service. EZ CLEAR and RDS are two recent examples of Treasury's efforts to streamline the Program.

Treasury has been very pleased with the high level of service provided over the years by the Federal Reserve System in support of the U.S. Savings Bond Program. Advances in automation and data communications have made it possible for us to take a fresh look at the savings bond business and to restructure it in ways that will make it even more efficient. The transition to five regional processing centers will begin in the first quarter of 1993 and conclude in 1996. The five regional centers and the Federal Reserve Districts they will service are:

<u>Processing Site</u>	<u>Federal Reserve District</u>
Buffalo Branch, FRB New York	Boston New York
Pittsburgh Branch, FRB Cleveland	Philadelphia Cleveland
FRB Richmond	Richmond Atlanta
FRB Minneapolis	Chicago Minneapolis
FRB Kansas City	St Louis Kansas City Dallas San Francisco.

Redeemed bonds processed through EZ CLEAR will NOT be affected by this change. Paying agents will continue to use the check collection system and submit paid bonds to their local Federal Reserve Bank, Branch or RCPC.

Agent agreements will NOT have to be renewed, and existing issuing and paying agent agreements will remain in full force and effect. Other than sending savings bond issue, reissue, and exchange transactions to a new location, the change should be minimal for your institution. The new Federal Reserve processing sites will continue to provide service levels consistent with those you currently receive. Accounting entries related to savings bond sales and redemptions will continue to be credited or debited to your Reserve or correspondent account.

Your institution's support for the U.S. Savings Bond Program is invaluable and very much appreciated. As always, we look forward to your cooperation in making the transition a smooth one.

Sincerely,

A handwritten signature in cursive script, reading "Richard L. Gregg".

Richard L. Gregg
Commissioner