

FEDERAL RESERVE BANK  
OF NEW YORK

Government Bond  
Department

[ Circular No. 550, May 9, 1923 ]  
Reference to Circular No. 541

## Holders of Victory Notes Urged to Surrender Them Now

TO ALL BANKS, TRUST COMPANIES, AND OTHERS CONCERNED  
IN THE SECOND FEDERAL RESERVE DISTRICT:

Holders of  $4\frac{3}{4}$  per cent. Victory notes have the opportunity of exchanging them now for the new series of Treasury notes bearing the same rate of interest and running for almost 4 years from May 15, 1923. If holders of uncalled Victory notes prefer payment, however, on May 20 *they should immediately send such notes in to us direct, or through their regular banking channels, as we are now prepared to receive them for payment at maturity also.* Registered notes in particular should be presented at once as they must be forwarded to Washington for discharge of registration before payment can be made.

For general information with respect to the handling of Victory notes in both registered and coupon form, kindly refer to our circular 541 dated April 13, 1923. It is estimated that at least 600,000 separate notes will be presented at this bank for payment on May 20, and it will therefore be of mutual advantage in facilitating prompt payment if the prescribed procedure for handling the notes is carefully observed. Uncalled Victory notes received from now on will be entered for payment at maturity unless immediate redemption or exchange for the new  $4\frac{3}{4}$  per cent. Treasury notes is requested.

### The Way to Assign

#### Registered Notes

Your attention is especially called to the importance of having registered notes assigned in strict accordance with Treasury Department regulations. For your convenient reference we enclose a revised summary of regulations covering the most usual forms of assignment. Please note that if payment is to be made direct to your institution, the notes must be assigned either in blank or to the Secretary of the Treasury for payment for account of your bank.

### *Interest on Registered Notes*

Interest on registered notes due May 20, 1923 will be paid simultaneously with the principal, and consequently the registered holder will not receive a separate check for such interest from the Treasury Department. Interest will be computed on the basis of the denominations of notes presented, rather than on aggregate amounts of individual holdings, as heretofore. The effect of this will be to pay exactly the same amount of interest on each registered note as is paid on each coupon note of the same denomination.

### **Use of Application Forms**

In sending Victory notes to us for redemption or payment, or for exchange for the current offering of Treasury notes, it will be appreciated if you will kindly separate *called* from *uncalled*, and *coupon* from *registered* notes, being particular to use separate application forms for each classification. The several application forms have previously been mailed to you. It will expedite the handling of the notes at this bank if you will forward them under special gummed labels prepared for the purpose, a supply of which is enclosed. Only notes for redemption or payment should be contained in such packages.

### **Notice to Bank Customers**

To bring the payment of Victory notes more directly to the attention of your customers, we have prepared a small placard in display type which you may wish to post in some public place in your institution, and a short printed notice addressed "To Holders of Victory Notes," which you may find convenient to mail to your customers. Copies of this notice in any number you desire will be forwarded upon request.

Very truly yours,

BENJ. STRONG,  
*Governor.*

## 4 $\frac{3}{4}$ PER CENT. VICTORY NOTES MATURING MAY 20, 1923

### *To Holders of Victory Notes:*

PLEASE SEND IN NOW to your own bank or directly to the Federal Reserve Bank of New York any 4 $\frac{3}{4}$  per cent. Victory notes you hold bearing the distinguishing letters, G, H, I, J, K, or L, in order that you may receive payment promptly on May 20, 1923. The Government has given public notice of the payment of these notes, and interest on them will cease on that date. If you wish you may redeem them before May 20 at par and accrued interest.

All other Victory notes have previously been called for redemption. Interest on the notes of the 3 $\frac{3}{4}$  per cent. series ceased on June 15, 1922. Interest on the notes of the 4 $\frac{3}{4}$  per cent. series, bearing the letters A, B, C, D, E, or F, ceased on December 15, 1922. Holders of called Victory notes should present them promptly for redemption to avoid further loss of interest.

*Your bank will handle the transaction for you.*

FEDERAL RESERVE BANK OF NEW YORK  
*Fiscal Agent of the United States.*

# Payment of Victory Notes

## Summary of Treasury Regulations Governing Certain Features of Assignments of Registered Notes Revised to May 1, 1923

(To accompany Federal Reserve Bank of New York Circular No. 550, dated May 9, 1923)

*The attention of banking institutions is directed particularly to assignments for their account as stated in paragraphs 2 and 6.*

### **The Way to Assign**

1. Registered Victory notes should be duly assigned for redemption or payment in accordance with the general regulations of the Treasury Department governing assignments. Reference is made to Treasury Department Circular 141 of September 15, 1919, as amended, for further details.

### **Payment to Forwarding Bank**

2. *In case it is desired to have payment of registered notes made to someone other than the registered owner, without intermediate assignments, the notes may be assigned to "The Secretary of the Treasury for payment for account of (here insert name and address of payee desired)," but assignments in this form must be completed before acknowledgment and not left in blank. A specimen of this form of assignment is printed on our application form G. B. 201 R.*

### **Payment to Registered Owner**

3. If assignment is made by the registered owner to "The Secretary of the Treasury for payment," payment of principal and interest to the date of redemption will be made to the registered owner unless written instructions to the contrary are received from him.

### **Bank Officers Authorized as Witnesses**

4. The registered holder of a registered Victory note, or someone duly authorized to act for him, must go before one of the officers authorized by the Secretary of the Treasury to witness assignments, must establish his identity, and in the presence of such officer must execute an assignment on the form appearing on the back of the note. Detached assignments will not be accepted. Among the officers authorized to witness assignments are the executive officers of incorporated banks and trust companies, including incorporated savings banks, who are authorized to perform acts attested

(Over)



under the seal of their respective institutions. *A notary public, a justice of the peace, or a commissioner of deeds, however, is not among the officers authorized to witness assignments.*

**Representative Assignments; from Minors, etc.**

5. Assignments of notes registered in the names of corporations, lodges, societies, churches and other organizations, deceased persons, minors, etc., must be supported by proper documents showing authority for such assignments. We shall be glad to have you communicate with us with reference to any assignments of registered notes of this nature in order to ascertain the correct form of the assignment to be made in each case. This procedure will facilitate prompt payment.

**Joint Holders**

6. Assignments for payment of notes registered jointly (John Smith and/or Mary Smith) may be made by either registrant. If, however, the note is registered in the form "John Smith and Mary Smith," it will be necessary for both registrants to execute assignments to the "Secretary of the Treasury for payment for account of (insert name of bank)" in case it is desired that payment be made to your institution. If the note is registered in the form "John Smith or Mary Smith," payment will be made to your institution provided the note is assigned by either holder to the "Secretary of the Treasury for payment for account of (insert name of bank)."

**Identical Inscription**

7. In all cases where assignments are executed by the registered owner, his signature must agree with the inscription on the face of the note.

**Payment to Assignee**

8. If assignment is made by an assignee holding under proper assignment from the registered owner, payment of principal and interest will be made to such assignee at the address specified in an appropriate written advice.

**Assignments in Blank**

9. Assignments in blank, or other assignments having the same effect, will also be recognized and in that event payment will be made to the person surrendering the notes, since under such assignments the notes become in effect payable to the bearer.

**Shipping Expense**

10. The notes must be delivered at the expense and risk of the holder, and should be accompanied by appropriate written advice. Form G. B. 201 R may be used for this purpose.

FEDERAL RESERVE BANK OF NEW YORK,

*Fiscal Agent of the United States.*