

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

[Circular No. 1937]
May 8, 1939

**OFFERING OF
BONDS OF THE HOME OWNERS' LOAN CORPORATION**

**To all Banking Institutions and Others Concerned in the
Second Federal Reserve District:**

At the request of Secretary of the Treasury Morgenthau we transmit to you herewith, printed on the following pages, a copy of Treasury Department Circular No. 609, dated May 8, 1939, governing the offering of Home Owners' Loan Corporation $\frac{3}{8}$ percent bonds of Series K-1940, due May 15, 1940, and $\frac{5}{8}$ percent bonds of Series L-1941, due May 15, 1941, both series dated and bearing interest from May 15, 1939, in payment of which only Home Owners' Loan Corporation $1\frac{1}{2}$ percent bonds of Series F-1939, maturing June 1, 1939, may be tendered, in multiples of \$100, of which 40 percent will be treated as a subscription for the bonds of Series K-1940 and 60 percent for the bonds of Series L-1941.

The subscription books are now open, and applications will be received by this bank as fiscal agent of the United States. *Subscriptions will not be received at the Home Owners' Loan Corporation.* Subscriptions should be made on official subscription blanks and mailed immediately or if filed by telegram or letter should be confirmed immediately by mail on the blanks provided.

GEORGE L. HARRISON,

President.

HOME OWNERS' LOAN CORPORATION

$\frac{3}{8}$ Percent Bonds, Series K-1940 Due May 15, 1940
 $\frac{5}{8}$ Percent Bonds, Series L-1941 Due May 15, 1941

Both series dated and bearing interest from May 15, 1939
Interest payable May 15 and November 15

1939
Department Circular No. 609
Public Debt Service

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, May 8, 1939.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, on behalf of the Home Owners' Loan Corporation, invites subscriptions, at par, from the people of the United States for bonds of the Home Owners' Loan Corporation in two series, designated $\frac{3}{8}$ percent bonds of Series K-1940 and $\frac{5}{8}$ percent bonds of Series L-1941 respectively, in payment of which only Home Owners' Loan Corporation $1\frac{1}{2}$ percent bonds of Series F-1939, maturing June 1, 1939, may be tendered, in multiples of \$100, of which 40 percent will be treated as a subscription for the bonds of Series K-1940 and 60 percent for the bonds of Series L-1941. Where necessary, adjustments will be made to the nearest \$100. The amount of the offering under this circular will be limited to the amount of Home Owners' Loan Corporation bonds of Series F-1939 tendered and accepted. The right is reserved to offer for cash subscription, upon such terms and conditions as may be prescribed by the Home Owners' Loan Corporation with the approval of the Secretary of the Treasury, an additional amount of bonds of either or both issues, approximately equal in the aggregate to the amount of bonds of Series F-1939 not tendered and accepted hereunder.

II. DESCRIPTION OF BONDS

1. The bonds of Series K-1940 will be dated May 15, 1939, and will bear interest from that date at the rate of $\frac{3}{8}$ percent per annum, payable semiannually on November 15, 1939, and May 15, 1940. They will mature May 15, 1940, and will not be subject to call for redemption prior to maturity.

2. The bonds of Series L-1941 will be dated May 15, 1939, and will bear interest from that date at the rate of $\frac{5}{8}$ percent per annum, payable semiannually on November 15, 1939, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1941, and will not be subject to call for redemption prior to maturity.

3. These bonds are issued under the authority of the Home Owners' Loan Act of 1933, as amended, which provides that these bonds shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

4. These bonds are fully and unconditionally guaranteed both as to interest and principal by the United States of America, which guaranty is expressed on the face of each bond.

5. Bearer bonds with interest coupons attached will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The bonds will not be issued in registered form. Provision will be made for the interchange of bonds of different denominations of the same series, under rules and regulations prescribed by the Corporation.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full as provided in Section I of this circular. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for bonds allotted hereunder must be made or completed on or before May 15, 1939, or on later allotment, and may be made only in Home Owners' Loan Corporation 1½ percent bonds of Series F-1939, which will be accepted at par and should accompany the subscription. Coupons dated June 1, 1939, should be attached to the bonds when surrendered, and accrued interest from December 1, 1938, to May 15, 1939 (\$6.799451 per \$1,000) will be paid following acceptance of the bonds.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, Jr.,

Secretary of the Treasury.

NON-NEGOTIABLE RECEIPT

For Home Owners' Loan Corporation Bonds as Mentioned Below

Issued to.....

Number.....

Street.....

Date.....

Town..... State.....

Receipt is hereby acknowledged of \$..... par amount Home Owners' Loan Corporation 1½ percent bonds of Series F-1939 surrendered in payment for Home Owners' Loan Corporation ¾ percent bonds of Series K-1940 and Home Owners' Loan Corporation ¾ percent bonds of Series L-1941, subscribed for and allotted pursuant to the terms of Treasury Department Circular No. 609, dated May 8, 1939. If such new bonds issued for those surrendered are to be delivered at the Federal Reserve Bank of New York over the counter to your representative the "authority to deliver" set forth below should be duly executed and returned to us.

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

Date Received..... Mail Sheet No.....

Refer to your letter dated..... No.....

Teller.....

AUTHORITY TO DELIVER	DELIVERY RECEIPT
<div>FEDERAL RESERVE BANK OF NEW YORK Fiscal Agent of the United States.</div> <div>You are hereby authorized to deliver to</div> <div>(Name of representative)</div> <div>whose signature appears below \$..... par amount of Home Owners' Loan Corporation bonds subscribed for and allotted in full for Home Owners' Loan Corporation bonds surrendered in payment as indicated in the above non-negotiable receipt.</div> <div>Name (Please print)</div> <div>..... (Official signature required)</div> <div>..... (Signature of authorized representative)</div>	<div>Received from the Federal Reserve Bank of New York Home Owners' Loan Corporation bonds at par in the amount stated above issued for Home Owners' Loan Corporation bonds surrendered in payment as indicated in the above non-negotiable receipt.</div> <div>By.....</div> <div>Date.....</div>

FILE COPY OF NON-NEGOTIABLE RECEIPT
For Home Owners' Loan Corporation Bonds as Mentioned Below

Sued to.....

Number.....

Street.....

Date

Town..... State.....

Receipt is hereby acknowledged of \$..... par amount Home Owners' Loan Corporation 1½ percent bonds of Series F-1939 rendered in payment for Home Owners' Loan Corporation ¾ percent bonds of Series K-1940 and Home Owners' Loan Corporation ¾ percent bonds of Series L-1941, subscribed for and allotted pursuant to the terms of Treasury Department Circular No. 609, dated May 8, 1939. If such new bonds issued for those surrendered are to be delivered at the Federal Reserve Bank of New York over the counter to your representative the "authority deliver" set forth below should be duly executed and returned to us.

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

Date Received..... Mail Sheet No.....

Refer to your letter dated..... No.....

Teller.....

3/8%

5/8%

HOME OWNERS' LOAN CORPORATION

3/8 Percent Series K Bonds

Dated May 15, 1939 Due May 15, 1940

(40% Allotment)

HOME OWNERS' LOAN CORPORATION

5/8 Percent Series L Bonds

Dated May 15, 1939 Due May 15, 1941

(60% Allotment)

PIECES	DENOMINATIONS	PAR AMOUNT			NUMBERS	PIECES	DENOMINATIONS	PAR AMOUNT			NUMBERS
	\$ 100						\$ 100				
	500						500				
	1,000						1,000				
	5,000						5,000				
	10,000						10,000				
	100,000						100,000				

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

SUBSCRIPTION FOR
HOME OWNERS' LOAN CORPORATION
3/8 PERCENT BONDS, SERIES K-1940 DUE MAY 15, 1940
5/8 PERCENT BONDS, SERIES L-1941 DUE MAY 15, 1941
Both series dated and bearing interest from May 15, 1939

NOTE:
Home Owners' Loan Corporation 1 1/2 percent bonds of Series F 1939, which are tendered in payment, should be surrendered with this subscription, except that if such bonds are now held for the subscriber's account by the Federal Reserve Bank of New York instructions must be given accordingly in the space provided below.
Coupons dated June 1, 1939, should be attached to the bonds when surrendered, and accrued interest from December 1, 1938, to May 15, 1939 (\$6.799451 per \$1,000) will be paid following acceptance of the bonds.

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York, N. Y.

Dated at.....
.....1939

DEAR SIRS:
Pursuant to the terms of Treasury Department Circular No. 609, dated May 8, 1939, the undersigned hereby tenders in payment for Home Owners' Loan Corporation 3/8 percent bonds of Series K-1940, and 5/8 percent bonds of Series L-1941, Home Owners' Loan Corporation 1 1/2 percent bonds of Series F-1939, maturing June 1, 1939, in multiples of \$100, of which 40 percent is to be treated as a subscription for the bonds of Series K-1940 and 60 percent for the bonds of Series L-1941, in the amount and as stated below:

For own account \$.....
For our customers as shown on attached list..... \$.....
(Do not fill in unless subscriber is a banking institution.)
Total Subscription..... \$.....

Issue the bonds allotted on this subscription in the denominations and amounts as indicated below:

Number of Pieces	Denominations	Par Amount			Leave this Space Blank
X X	X	X	X X	X X	
	\$100				
	500				
	1,000				
	5,000				
	10,000				
X X	X X X	X	X X	X X	
	100,000				
	Total				

The 1 1/2 percent bonds of Series F-1939 are tendered, as indicated below,—

Delivered to you herewith.....	\$.....
To be withdrawn by you from our account in the	
Government Bond Department (War Loan Deposit Account)	\$.....
Safekeeping Department	\$.....
Discount Department	\$.....
To be delivered to you for our account by	
.....	\$.....

It is requested that payment of accrued interest to May 15, 1939, on the 1 1/2 percent bonds of Series F-1939 surrendered, as indicated above, be disposed of as follows:

By check to..... ☐
By credit to our Reserve account ☐ By credit to our account with..... ☐

Hold or dispose of securities allotted on this subscription in the amounts and as indicated below:

1. Hold for safekeeping (for member bank only)..... \$.....
2. Hold as collateral security for War Loan Deposit Account..... \$.....
3. Deliver to your Discount Department..... \$.....
4. Deliver over counter to the undersigned..... \$.....
5. Ship to the undersigned..... \$.....
6. Deliver as requested in the following special instructions..... \$.....

TO	Par amount	Against payment of		Dispose of such payment as follows
				Credit our reserve account
	\$.....	\$.....		\$.....

The undersigned, if a bank or trust company, hereby certifies (a) that such securities as you are instructed to hold or to deliver, as indicated in items numbered 1 and 3 above, are the sole property of the undersigned; (b) that such securities as are hereby pledged, as indicated in item numbered 2 above, are either the sole property of the undersigned or are the property of its customers who have authorized the undersigned in writing to cause their said securities to be so pledged; and (c) that such securities as you are instructed to deliver, as indicated in item numbered 6 above, are either the sole property of the undersigned or are the property of its customers who have authorized the undersigned in writing to cause their said securities to be so delivered.

Before signing fill in all required spaces.

TO SUBSCRIBER:
Mark (X) in proper space to indicate if this is:
Original subscription..... ☐
Confirmation of a telegram..... ☐
Confirmation of a letter..... ☐

Name of Subscriber..... (Please print)
By..... (Official signature) (Title)
Street address.....
City, Town or Village, and State.....

Spaces below are for the use of the Federal Reserve Bank of New York

RECEIPT	DELIVERY						FIGURED	CHECKED
Received	Taken from vault							
Checked	Counted							
Recorded	Checked							
Acknowledged	Blotter							
	Delivered							

List of customers' applications included in the foregoing subscription
entered and certified by.....
(Name of banking institution)

.....
Post office address

.....
State

Name of Customer
(Please print or use typewriter)

Address

Amount Subscribed