

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2289]
October 7, 1941.]

**REGULATIONS GOVERNING AGENCIES FOR THE ISSUE OF
UNITED STATES DEFENSE SAVINGS BONDS OF SERIES E.**

*To all Banks, Trust Companies and Others Concerned,
in the Second Federal Reserve District:*

Enclosed herewith is a printed copy of First Amendment, dated October 2, 1941, to Treasury Department Circular No. 657, dated April 15, 1941, entitled "Regulations Governing Agencies for the Issue of Defense Savings Bonds Series E" (a copy of which we enclosed with our Circular No. 2201, dated April 15, 1941).

This amendment amends section 3 of the regulations set forth in Treasury Department Circular No. 657 by deleting the last paragraph of section 3(b) and inserting three new subsections, (c), (d) and (e), which provide, in effect, that any designated issuing agent insured by the Federal Deposit Insurance Corporation, the Federal Savings & Loan Insurance Corporation, or any other acceptable State Insurance Corporation, System or Fund, the members of which are subject to Federal or State supervision, examination and liquidation, may, without the pledge of collateral security, apply for Defense Savings Bond stock, Series E. Such application must be made on Application-Trust Agreement, Form 384-A, one of which forms is also enclosed herewith. In the case of an issuing agent which is insured by the Federal Deposit Insurance Corporation, the aggregate amount of such stock which may be maintained at any one time, taken at maturity values, shall not exceed 50% of the agent's capital and surplus or guaranty fund or reserve for capital purposes or \$500,000, whichever is the smaller amount. In the case of any other issuing agent which is insured as set forth above, the aggregate amount of such stock which may be maintained at any one time, taken at maturity values, shall not exceed 50% of the issuing agent's capital and surplus or guaranty fund or reserve for capital purposes, or other similar fund or funds, or \$50,000, whichever is the smaller amount. The Secretary of the Treasury, directly or through the Federal Reserve Bank of the district as fiscal agent, reserves the right to regulate the amount of stock which may be obtained or maintained by any issuing agent without the pledge of collateral.

The Treasury Department has requested that each issuing agent that is supplied with Defense Savings Bond stock, Series E, without the pledge of collateral in accordance with the provisions of the enclosed amendment, make remittance and report of sales at least once each week and at the close of business on each day when the proceeds on hand exceed \$5,000.

Additional copies of the enclosed amendment or Form No. 384-A will be furnished upon request.

ALLAN SPROUL,
President.

TITLE 31—MONEY AND FINANCE
CHAPTER II—BUREAU OF ACCOUNTS

PART 317—REGULATIONS GOVERNING AGENCIES FOR THE
ISSUE OF DEFENSE SAVINGS BONDS, SERIES E

1941
First Amendment
Department Circular No. 657

Fiscal Service
Bureau of Accounts

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, October 2, 1941.

Treasury Department Circular No. 657, dated April 15, 1941, is hereby amended by deleting the last paragraph of section 3 (Qualification of issuing agent—) of the Circular appearing also as the last paragraph of section 317.3, Title 31, Part 317 of the Code of Federal Regulations of the United States of America, and inserting in lieu thereof the following:

QUALIFICATION OF ISSUING AGENT

7.3 “(c) Notwithstanding the provisions of subsections (a) and (b) hereof any designated issuing agent which is, and continues to be, insured by the Federal Deposit Insurance Corporation and which files an Application—Trust Agreement on Form 384-A with the Federal Reserve Bank of its district may apply for Defense Savings Bond stock, Series E, sufficient to meet its requirements without the pledge of collateral security therefor. The aggregate amount of stock to be maintained at any one time, taken at maturity values, shall not exceed 50% of the issuing agents’ capital and surplus or guaranty fund or reserve for capital purposes or \$500,000, whichever is the smaller amount; however, the Secretary of the Treasury, directly or through the Federal Reserve Bank of the district as fiscal agent, reserves the right to regulate the amount of stock which may be obtained or maintained by any issuing agent without the pledge of collateral security, including temporary increases over the limits expressed in this subsection, whenever circumstances make such action necessary or desirable.

“(d) Notwithstanding the provisions of subsections (a) and (b) hereof, any designated issuing agent which is, and continues to be, insured by the Federal Savings & Loan Insurance Corporation, or any other acceptable State Insurance Corporation, System or Fund, the members of which are subject to Federal or State supervision, examination and liquidation, which files an Application—Trust Agreement on Form 384-A with the Federal Reserve Bank of the district in which it is located may apply for Defense Savings Bond stock, Series E, sufficient to meet its requirements without the pledge of collateral security therefor. The aggregate amount of stock to be maintained at any one time, taken at maturity values, shall not exceed 50% of the issuing agents’ capital and surplus or guaranty fund or reserve for capital purposes, or other similar fund or funds, or \$50,000, whichever is the smaller amount; however, the Secretary of the Treasury, directly or through the Federal Reserve Bank of the district as fiscal agent, reserves the right to regulate the amount of stock which may be obtained or maintained by any issuing agent without the pledge of collateral security, including temporary increase over the limits expressed in this subsection, whenever circumstances make such action necessary or desirable.

“(e) Upon approval of the Application and Pledge Agreement, Form 384, or the Application—Trust Agreement, Form 384-A, the Federal Reserve Bank will issue a certificate of qualification to the issuing agent on Form No. 385 or 385-A. The Federal Reserve Bank, as fiscal agent of the United States, may certify, in whole or in part, the qualification applied for. If the qualification applied for is not certified, appropriate notice thereof will be transmitted to the issuing agent making application.”

H. MORGENTHAU, Jr.
Secretary of the Treasury

FORM No. 384-A
TREASURY DEPARTMENT
FISCAL SERVICE
BUREAU OF ACCOUNTS
Division of Deposits

APPLICATION—TRUST AGREEMENT
(Defense Savings Bonds, Series E)

.....194....

To the FEDERAL RESERVE BANK OF

..... as Fiscal Agent of the United States.

The undersigned, a designated issuing agent for the sale and issue of Defense Savings Bonds, Series E, and a duly qualified member of

(Indicate Insurance Corporation, Fund or System)

50% of the⁽¹⁾ of which is \$, does hereby desire to qualify pursuant to provisions of section 3, of United States Treasury Department Circular No. 657, as amended, to obtain a stock of such bonds sufficient to meet its requirements without the pledge of collateral security, and agrees to the following conditions:

CONDITIONS

The entire stock of Defense Savings Bonds, Series E, heretofore or hereafter obtained, until sold, and the proceeds thereof, when sold, shall at all times be the property of the United States and are to be held in trust for it. The undersigned shall be responsible for all acts of its own officers and employees in the custody, issue, and sale of said bonds and shall be required to use the same care in the safekeeping of said bonds and the proceeds thereof as it uses in the care of its own securities and funds. If bonds are lost or stolen, the undersigned shall immediately notify the Federal Reserve Bank of . All Defense Savings Bonds, Series E, are to be sold pursuant to the provisions of Treasury Department Circular No. 653, and the proceeds therefrom are to be remitted in accordance with the provisions of Treasury Department Circular No. 657, as amended, or instructions issued from time to time by the Federal Reserve Bank of .

IN WITNESS WHEREOF, the undersigned has caused this agreement to be executed under seal by the officer below named, thereunto duly authorized by a resolution of its governing board adopted on the day of , 194 .

[SEAL]

.....
(Name)

.....
(Address)

By.....

(Signature of Officer)

.....
(Title of Officer)

(1) Indicate basis of computation, whether capital and surplus, surplus only, guaranty fund, reserve for capital purposes or a similar fund or funds.

ACKNOWLEDGMENT

STATE OF }
COUNTY OF } ss:

On this _____ day of _____, 194____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ (Name of Officer) of the _____ (Name of Institution) and that the seal affixed to the above instrument is the official seal of said institution, and that the above instrument was signed and sealed in behalf of said institution by authority of its governing board, and said officer acknowledged said instrument to be the free act and deed of said institution.

Notary Public

(In case the applicant has no official seal, omit the words—"the seal affixed to the above instrument is the official seal of said institution and that'" and add at the end of the affidavit clause the words—"and that said institution has no official seal'.')

FORM NO. 385-A
TREASURY DEPARTMENT
FISCAL SERVICE
BUREAU OF ACCOUNTS
Division of Deposits

**CERTIFICATION OF QUALIFICATION OF ISSUING AGENT FOR SALE OF
UNITED STATES DEFENSE SAVINGS BONDS**

SERIES E

194.....

To:.....
.....
.....

Your Application—Trust Agreement, Form No. 384-A, dated _____, has been approved and you are hereby notified that you are qualified to act as an issuing agent for the sale of United States Defense Savings Bonds of Series E, pursuant and subject to the provisions of Treasury Department Circulars numbered 653 and 657, dated April 15, 1941, as amended, and as may, from time to time, be amended or supplemented, and instructions issued pursuant thereto.

The maximum amount of such bond stock which you may obtain on your requisition therefor at any one time will be \$ _____ (maturity value). This amount, subject to the provisions of Treasury Circular numbered 657, may be modified from time to time.

FEDERAL RESERVE BANK OF
Fiscal Agent of the United States

By

APPLICATION—TRUST AGREEMENT

(Defense Savings Bonds, Series E)

.....194.....

To the FEDERAL RESERVE BANK OF

as Fiscal Agent of the United States.

The undersigned, a designated issuing agent for the sale and issue of Defense Savings Bonds, Series E, and a duly qualified member of

50% of the⁽¹⁾ (Indicate Insurance Corporation, Fund or System) of which is \$, does hereby desire to qualify pursuant to provisions of section 3, of United States Treasury Department Circular No. 657, as amended, to obtain a stock of such bonds sufficient to meet its requirements without the pledge of collateral security, and agrees to the following conditions:

CONDITIONS

The entire stock of Defense Savings Bonds, Series E, heretofore or hereafter obtained, until sold, and the proceeds thereof, when sold, shall at all times be the property of the United States and are to be held in trust for it. The undersigned shall be responsible for all acts of its own officers and employees in the custody, issue, and sale of said bonds and shall be required to use the same care in the safekeeping of said bonds and the proceeds thereof as it uses in the care of its own securities and funds. If bonds are lost or stolen, the undersigned shall immediately notify the Federal Reserve Bank of . All Defense Savings Bonds, Series E, are to be sold pursuant to the provisions of Treasury Department Circular No. 653, and the proceeds therefrom are to be remitted in accordance with the provisions of Treasury Department Circular No. 657, as amended, or instructions issued from time to time by the Federal Reserve Bank of .

IN WITNESS WHEREOF, the undersigned has caused this agreement to be executed under seal by the officer below named, thereunto duly authorized by a resolution of its governing board adopted on the day of , 194 .

.....
(Name)

.....
(Address)

By
(Signature of Officer)

.....
(Title of Officer)

[SEAL]

(1) Indicate basis of computation, whether capital and surplus, surplus only, guaranty fund, reserve for capital purposes or a similar fund or funds.

ACKNOWLEDGMENT

STATE OF..... }
COUNTY OF..... } ss:

On this day of , 194 , before me appeared , to me personally known, who, being by me duly sworn, did say that he is the of the and that the seal affixed to the above instrument is the official seal of said institution, and that the above instrument was signed and sealed in behalf of said institution by authority of its governing board, and said officer acknowledged said instrument to be the free act and deed of said institution.

.....
Notary Public

(In case the applicant has no official seal, omit the words—"the seal affixed to the above instrument is the official seal of said institution and that" and add at the end of the affidavit clause the words—"and that said institution has no official seal".)

at 2289

FEDERAL RESERVE BANK
OF NEW YORK

October 8, 1941.

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

We are pleased to announce that Rensselaer County Bank and Trust Company, Rensselaer, New York, has become a member of the Federal Reserve System effective October 8, 1941.

ALLAN SPROUL,
President.