

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

[ Circular No. 2357 ]  
January 12, 1942

UNITED STATES DEFENSE SAVINGS BONDS OF SERIES E  
Bonds To Be Issued in Largest Denominations Where Possible

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

Our attention has been called to the fact that many persons purchasing United States Defense Savings Bonds of Series E have requested the issuance of several bonds of small denominations, identically registered, instead of one bond of a higher denomination, because they are not aware of the fact that they may redeem a portion of the higher denomination bond without loss of the accrual on the unredeemed balance thereof. In this connection, your attention is directed to paragraph numbered 7 of Section VII of Treasury Department Circular No. 653, dated April 15, 1941, relating to United States Defense Bonds of Series E, which provides:

*"7. Partial Redemption.—Partial redemption of a Defense savings bond of a denomination higher than \$25 (maturity value) at current redemption value is permitted, but only in multiples of \$25 (maturity value). In case of partial redemption the remainder will be reissued in authorized denominations bearing the same issue date as the bond surrendered." (Italics supplied.)*

Accordingly, any United States Defense Savings Bond of Series E of a denomination higher than \$25 (maturity value) will, upon appropriate request at any time after 60 days from the issue date of such bond, be partially redeemed in multiples of \$25 (maturity value), and a new bond or bonds in the amount of the unredeemed balance will be issued as of the original issue date of the surrendered bond.

We suggest that the foregoing be brought to the attention of all purchasers of United States Defense Savings Bonds of Series E who request delivery at one time of several bonds of small denominations, identically registered; and we also suggest that, for the purposes of economy in the use of Defense Savings bond stock and of reducing the volume of work involved in the issuance of such bonds, such purchasers be urged to accept bonds in the largest possible denomination.

ALLAN SPROUL,  
President.