

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2436]  
May 22, 1942]

**Public Notice of Offering of \$250,000,000, or thereabouts, of Treasury Bills**

**Dated May 27, 1942**

**Maturing August 26, 1942**

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

Following is the text of a notice today made public by the Treasury Department with respect to a new offering of Treasury bills payable at maturity without interest to be sold on a discount basis to the highest bidders.

TREASURY DEPARTMENT  
Washington

FOR RELEASE, MORNING NEWSPAPERS,  
Friday, May 22, 1942.

The Secretary of the Treasury, by this public notice, invites tenders for \$250,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated May 27, 1942, and will mature August 26, 1942, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, two o'clock p. m., Eastern war time, Monday, May 25, 1942. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on May 27, 1942.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, as amended, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

In accordance with the above announcement tenders will be received at the Securities Department of this bank (9th floor, 33 Liberty Street, New York City) or at the Buffalo Branch of this bank (272 Main Street, Buffalo, New York) up to two o'clock p. m., Eastern war time, on Monday, May 25, 1942.

It is requested that tenders be submitted on special form printed on reverse side and returned in special envelope enclosed herewith.

*Attention is invited to the fact that payment for the Treasury bills cannot be made by credit through the War Loan Deposit Account. Payment must be made in cash or other immediately available funds.*

ALLAN SPROUL,  
President.

(OVER)

No. ....

**TENDER FOR 91-DAY TREASURY BILLS**

Dated May 27, 1942.

Maturing August 26, 1942.

Dated at.....

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

.....1942

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on May 22, 1942, as issued by the Secretary of the Treasury, the undersigned offers to pay.....\* for a total amount of \$..... (Rate per 100) (maturity value) of the Treasury bills therein described, or for any less amount that may be awarded, payment therefor to be made at your bank in cash or other immediately available funds on the date stated in the public notice.


The Treasury bills for which tender is hereby made are to be dated May 27, 1942, and are to mature on August 26, 1942.

*This tender will be inserted in special envelope entitled "Tender for Treasury bills."*

**IMPORTANT INSTRUCTIONS:**

1. No tender for less than \$1,000 will be considered, and each tender must be for an even multiple of \$1,000 (maturity value). Also, if more than one price is offered, a separate tender must be executed at each price.
2. If the person making the tender is a corporation, the tender should be signed by an officer of the corporation authorized to make the tender, and the signing of the tender by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership, it should be signed by a member of the firm, who should sign in the form "....., a copartnership, by....., a member of the firm."
3. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.
4. If the language of this tender is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

*Payment by credit through War Loan Deposit Account will not be permitted.*

 Fill in all required spaces before signing.

Name of Subscriber.....  
(Please print)

By.....  
(Official signature required) (Title)

Street Address.....

City, Town or Village, and State.....

\* Price must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.925. Fractions may not be used.

(10-2436)

# FEDERAL RESERVE BANK OF NEW YORK

May 19, 1942.

## REGULATION W - CONSUMER CREDIT

Information with Respect to Changes in Form  
of "Statement of Borrower," (F. R. 564)  
and "Statement of Necessity to Prevent  
Undue Hardship" (F. R. 565).

To All Registered Lenders under Regulation W, and Others Concerned,  
in the Second Federal Reserve District:

Due to the adoption of Amendment No. 4 to Regulation W of the Board of Governors of the Federal Reserve System, which became effective May 6, 1942, certain changes have become necessary in the form of Statement of Borrower which a registered lender must obtain and accept in good faith from the borrower before he may make any regulated instalment or single-payment loan (except under the provisions of section 10(a) and 7(c) of the regulation). The Board of Governors has prescribed a revised form, F. R. 564-a, a specimen of which is enclosed. This form must be used in appropriate circumstances by all registered lenders on and after August 1, 1942. It may also be used at any time prior to August 1, 1942.

Until the close of July 31, 1942 a Registrant may at his option continue to use the old form, F. R. 564, provided that Question 2 thereof is deleted and the word "instalment" is deleted from Question 3. This permission has been given in order to minimize the wastage of old forms by Registrants having large supplies.

As indicated in previous communications, forms for the actual use of Registrants will not be printed by the Federal Reserve System. They should be printed or otherwise reproduced by the Registrant or obtained by him from stationery supply houses. Please note that reproduction should be made only in accordance with the restrictions appearing at the top of the specimen forms.

The Board of Governors has continued for the present the designation of the existing Form F. R. 565, Statement of Necessity to Prevent Undue Hardship, for use pursuant to the provisions of section 10(d) of Regulation W as amended. In some cases which require the use of this form, as when a charge account or single-payment loan is being converted or revised, the word "instalment" in the text of the form is inappropriate, because the indebtedness being refinanced is not instalment indebtedness. In such cases, the word "instalment" should be deleted by the Registrant using the form. Inasmuch as this form may be changed at a later date, it is suggested that Registrants refrain from obtaining large stocks thereof at this time.

Allan Sproul,  
President.

## SPECIMEN FORM

Form F. R. 564-a

FOR INFORMATION OF REGISTRANT OR PRINTER ONLY—NOT TO BE PRINTED AS PART OF FORM: In reproducing this form, the Registrant or printer shall follow exactly the wording and arrangement of the front and back of the form, but may vary the spacing as desired. Additions to the form, such as an acknowledgment by the borrower that he has received a copy, are permitted provided they do not call for the obtaining of any additional information from the borrower.

Since the form may be changed from time to time, it is suggested that Registrants do not stock large supplies of the form.

## STATEMENT OF BORROWER

Prescribed by the Board of Governors of the Federal Reserve System under its Regulation W, issued pursuant to Executive Order No. 8843 of the President of the United States.

\_\_\_\_\_  
(Name of Registrant)

## TO BE FILLED IN BY REGISTRANT

\_\_\_\_\_  
(Date of Loan)

\$ \_\_\_\_\_  
(Amount of Loan)

1. Is any of the money from this loan to be used to buy a Listed Article costing \$15.00 or more? (See list on back of this sheet).

(Answer "Yes" or "No")

\_\_\_\_\_  
(Answer)

2. Is any of the money from this loan to be used to pay all or part of any loan, any instalment contract, or any charge or other account for goods purchased?

\_\_\_\_\_  
(Answer)

3. Is any of the money from this loan to be used as a down payment on the purchase of a Listed Article?

\_\_\_\_\_  
(Answer)

In determining whether any article involved in this loan is a Listed Article, I have been guided by information furnished by the lender. I certify that, to the best of my knowledge, the information given by me on this sheet is true and complete.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Borrower's Signature)

4. IF QUESTION 1 HAS BEEN ANSWERED "YES", the following information must be obtained from borrower:

Listed Article	Purchase Price	Trade-in Allowance	Amount To Be Borrowed
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____

Have you borrowed any money elsewhere, or do you intend to borrow any elsewhere, to be used in buying any of the Listed Articles specified above? \_\_\_\_\_ If "Yes", how much? \$ \_\_\_\_\_  
(Answer "Yes" or "No")

5. IF QUESTION 2 HAS BEEN ANSWERED "YES", the following information must be obtained from borrower:

Name of Person Holding Debt	Total Unpaid Balance	If Instalment Debt, Indicate Terms	Amount To Be Paid Off
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

THE REGISTRANT RECEIVING THIS STATEMENT MUST KEEP IT ON FILE

## LISTED ARTICLES

The following classes of articles are the "Listed Articles" under Regulation W as of May 6, 1942:

AIR CONDITIONING EQUIPMENT	FURNACES, OIL OR GAS BURNERS, AND STOKERS
AIRCRAFT	FURNITURE, BED SPRINGS AND MATTRESSES
ATTIC VENTILATING FANS	HEATING STOVES AND HEATERS
AUTOMOBILES, TIRES, TUBES, BATTERIES AND ACCESSORIES	JEWELRY
BEDDING, BLANKETS, CURTAINS, DRAPERIES, LINENS AND TOWELS	LAMPS, LANTERNS, LIGHTING FIXTURES AND EQUIPMENT
BICYCLES AND MOTORCYCLES	LAWN MOWERS, EDGERS AND TRIMMERS
BINOCULARS, FIELD GLASSES, OPERA GLASSES AND HAND TELESCOPES	LUGGAGE, PURSES, HANDBAGS, TOILET CASES AND UMBRELLAS
BOATS AND BOAT MOTORS	PHOTOGRAPHIC EQUIPMENT
BUILDING MATERIALS AND SERVICES USED IN CONNECTION WITH REPAIRS, ALTERATIONS OR IMPROVEMENTS	PIANOS, ELECTRIC ORGANS AND OTHER MUSICAL INSTRUMENTS
CLOCKS AND WATCHES	PLUMBING AND SANITARY FIXTURES
CLOTHING, FURS, SHOES, HATS AND HABERDASHERY	RADIOS AND PHONOGRAPHS
COOKING STOVES	REFRIGERATORS AND ICE BOXES
DISHES, GLASSWARE, CUTLERY AND KITCHEN UTENSILS	SEWING MACHINES
ELECTRIC APPLIANCES	SILVERWARE
ELECTRIC DISHWASHERS	SPORTS', ATHLETIC, OUTING AND GAMES' EQUIPMENT
FLOOR COVERINGS	VACUUM CLEANERS AND CARPET SWEEPERS
	WASHING OR IRONING MACHINES
	WATER HEATERS AND PUMPS
	YARD GOODS

Articles may be added to or taken from the list at any time. In determining whether an article involved in a loan is a "Listed Article" a borrower may be guided by information furnished by the lender, and Registrants must keep themselves informed as to changes in these "Listed Articles".

### WARNING

Regulation W provides that no borrower shall willfully make any material misstatement or omission in his Statement. The law under which the President's Executive Order was issued reads in part: "Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both."

**NOTICE TO LENDER.**—The lender, acting in good faith, may rely upon the statements made by the borrower in answer to the questions on this form. However, this form does not provide all of the information that it may be necessary for the lender to have if he intends to avail himself of certain provisions of Regulation W. In any case as to which the lender must obtain additional information in order to be protected in making the particular loan under consideration, the facts themselves will govern. This, however, does not affect the right of the lender to rely upon statements of fact obtained from the borrower pursuant to applicable provisions of the Regulation.