

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2477]
August 12, 1942.]

QUALIFICATION OF ISSUING AGENTS OF UNITED STATES
WAR SAVINGS BONDS, SERIES E, UNDER TREASURY
DEPARTMENT FORM NO. 1785.

*To Certain Issuing Agents in the Second Federal Reserve
District Qualified for Sale of United States War
Savings Bonds, Series E:*

Enclosed is a copy of the third amendment, dated July 17, 1942, to Treasury Department Circular No. 657, dated April 15, 1941, as amended and supplemented. The Treasury Department has advised us, in effect, that under the circular as amended any issuing agent designated thereunder may be qualified as such an agent without being required to pledge collateral security or to prepay for War Savings Bond stock, Series E, upon filing Treasury Department Form No. 1785 entitled "Application-Agreement", with the Federal Reserve Bank of the district.

Issuing agents presently qualified for sale of Series E bonds in the Second Federal Reserve District are not required to file the Application-Agreement Form No. 1785 with this bank and may continue under their present arrangement. However, an issuing agent which desires to change its present basis of qualification may submit a duly executed Application-Agreement on Form No. 1785 and a financial statement on a form provided by this bank. If the financial condition of the applicant appears to be satisfactory and if such an application is approved by this bank as fiscal agent of the United States, the issuing agent will be qualified to obtain Series E Bond stock without being required to pledge collateral or to make prepayment therefor. Each issuing agent so qualified will be required to agree (1) that all unissued bond stock received by it, until sold, and the proceeds thereof, when sold, shall at all times be the property of the United States and shall be held in trust for the United States; and (2) that the agent shall be responsible for all acts of its own officers and employees in the custody, issue and sale of such bonds.

The amount of bond stock which will be furnished to an issuing agent qualified under Form No. 1785 will be governed by the financial condition and the probable sales requirements of the agent. Attention is invited to the fact that the Secretary of the Treasury has reserved the right to restrict, in whole or in part, the amount of bond stock which will be furnished to any issuing agent qualified under the amended circular without the pledge of collateral security.

Copies of Form No. 1785 and of the form of financial statement will be furnished to issuing agents on request.

ALLAN SPROUL,
President.