

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2834]
[September 5, 1944]

PAYMENTS BY BANKS IN CONNECTION WITH THE REDEMPTION OF
UNITED STATES SAVINGS BONDS

*To All Incorporated Banks and Trust Companies
in the Second Federal Reserve District:*

The Secretary of the Treasury has announced a procedure under which incorporated banks and trust companies may be qualified by the Federal Reserve Banks of their respective districts to make immediate payments in cash on and after October 2, 1944, to individual owners and coowners of United States Savings Bonds who desire to present such bonds for redemption. For your information in this connection, we have included in this circular the following material:

- (1) A letter dated September 5, 1944, addressed to you by the Secretary of the Treasury.
- (2) A press statement by the Treasury Department released for publication August 29, 1944.
- (3) Treasury Department Circular No. 750, dated September 5, 1944.
- (4) Treasury Department Circular No. 751, dated September 5, 1944.
- (5) First Supplement, dated September 5, 1944, to Treasury Department Circular No. 530, Fifth Revision, as amended.

We have also printed at pages 14 to 24 of this circular a memorandum dated September 5, 1944, prepared by the Treasury Department, which contains a summary of the provisions of the Treasury Department Circulars referred to above concerning the manner in which incorporated banks and trust companies may apply for qualification to make payments in connection with the redemption of Savings Bonds, and the procedure to be followed by qualified institutions in making such payments and obtaining settlement for bonds paid. You will find this memorandum helpful in studying these matters.

Applications for qualification should be submitted on Form PD 1958, copies of which are enclosed. Incorporated banks and trust companies situated in the territory assigned to our Buffalo Branch should submit their applications to the Branch. Applications of eligible institutions situated in the remaining portions of the Second Federal Reserve District should be forwarded to the head office.

No payments should be made by you in connection with the redemption of Savings Bonds until you have received from us a notice of your qualification, and in no event should any such payments be made prior to October 2, 1944.

ALLAN SPROUL,
President.

FEDERAL RESERVE BANK
OF ST. LOUIS

CONTENTS

	PAGE
Letter of the Secretary of the Treasury to Incorporated Banks and Trust Companies.....	3
Treasury Press Statement released for publication August 29, 1944.....	4
Treasury Department Circular No. 750, Regulations governing payments by incorporated banks and trust companies in connection with the redemption of United States Savings Bonds.....	5
Treasury Department Circular No. 751, Regulations governing replacement out of the fund established by the Government Losses in Shipment Act, as amended, of any losses resulting from payments made in connection with the redemption of United States Savings Bonds.....	12
First Supplement, dated September 5, 1944 to Treasury Department Circular No. 530, Fifth Revision, dated June 1, 1942, as amended, Regulations governing United States Savings Bonds.....	13
Table of contents for memorandum of instructions and explanation issued in conjunction with Treasury Department Circular No. 750.....	14
Memorandum of instructions and explanation issued in conjunction with Department Circular No. 750, prescribing regulations governing payments by incorporated banks and trust companies in connection with the redemption of United States Savings Bonds	15
Index for memorandum of instructions and explanation issued in conjunction with Treasury Department Circular No. 750.....	24



TREASURY DEPARTMENT

WASHINGTON

September 5, 1944

To the Incorporated Bank or Trust Company addressed:

Most banking institutions of this country have already rendered invaluable assistance in making the Treasury's savings bond program an unparalleled success. Through your efforts, and those of many other issuing agents, about 30 billions of dollars have been paid in to the Treasury, representing the sale of nearly 600 million bonds of Series A, B, C, D and E to more than 80 million people.

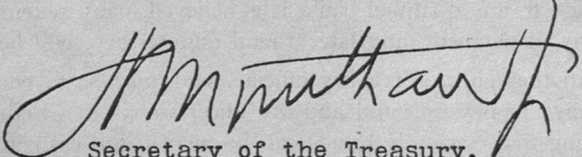
The owners of savings bonds, for the most part, are redeeming their bonds only as sickness or other emergencies necessitate. Slightly under 90 percent of all savings bonds of these series issued since they were placed on sale in 1935 are still outstanding. However, it is natural and understandable that as the volume of outstanding savings bonds increases redemptions will also increase. In order that more prompt service might be rendered in the payment of these bonds legislation was passed last year authorizing the Secretary of the Treasury to utilize the services of incorporated banks and trust companies in making such payments.

You will receive this letter from the Federal Reserve Bank of your District, together with the official circular governing payments by incorporated banks and trust companies, an explanatory memorandum prepared by the Treasury, and other documents incident to the procedure. I hope you will examine these carefully and will conclude to qualify as a paying agent, thus rendering a further service to bond owners in your community as well as to your country. I know that I need not stress the importance of seeing that in every case the owner, and no one else, receives the correct value of his bond, and that all improper practices, such as use of the bonds for collateral and discounting bonds not eligible for payment, are discouraged.

We hope these bonds will not be presented unless the owners really need the money, because huge sums are still to be required before we return to a normal period. Those who do, however, are entitled to courteous and efficient service, and this I am sure you are equipped and willing to render.

If you have any questions about the payment procedure, or the scope of authority or responsibility of paying agents, after reading this material, the Federal Reserve Bank of your District will be glad to assist you.

Sincerely yours,


Secretary of the Treasury.

FOR DEFENSE



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE
Tuesday, August 29, 1944

Press Service
No. 43-9

The Treasury Department has completed plans for simplifying redemption of Series E War Bonds, Secretary Morgenthau announced today.

"However," said the Secretary, "We hope the simplification of redemption will not encourage bond owners to present bonds for payment except in cases of absolute necessity. Huge sums are still to be required before we can return to a normal period. Every bond owner should remember, too, that his bonds become increasingly valuable as investments the longer they are held."

But because of the huge increase in the number of War Bond holders—now estimated to total about 60 percent of the country's population, it was deemed advisable to set up the simplified redemption procedure, eliminating delay and saving trouble.

Beginning October 2, the Secretary said, individual owners or co-owners of Bonds can turn them into cash by presenting them to any commercial bank which has qualified for this service. The bank will pay the redemption value of the bonds immediately following satisfactory identification, and without charge to the bond owner.

The arrangement applies also to the Series A, B, C and D Savings Bonds which were sold from 1935 to 1941. It does not apply to Series F and G Savings Bonds. It is of potential benefit, Secretary Morgenthau pointed out, to the estimated 80,000,000 persons to whom some 600,000,000 bonds of Series E have been sold in the last three years.

Heretofore, it has been necessary to have requests for redemptions certified before an authorized officer, and after certification forward them to a Federal Reserve Bank or present them direct to the Treasury. This necessarily caused a certain amount of delay before the bond holder received payment.

All incorporated banks and trust companies are permitted, under the new rules announced today, to qualify as bond paying agencies, and it is believed a large majority of them will do so. The Treasury will compensate them on a quarterly basis, at the rate of 15 cents for each of the first thousand bonds paid, 12 cents each for the second thousand, and 10 cents each for all in excess of 2,000.

Proper identification, satisfactory to the bank, is all that any qualified bank will require of a person desiring to redeem an eligible bond. The new system will not affect in any way, however, the stipulation that Savings Bonds are non-transferable. Nor does it affect the requirement that Series E Bonds be held for 60 days from the issue date before they become redeemable.

The new redemption regulations are based on legislation which Congress enacted last year. The privilege of cashing the Series A-to-E Bonds at commercial banks is available to individuals in their own right and is not extended to such classes of owners as corporations, associations, partnerships, fiduciaries, a person named on a bond as a beneficiary, and a person whose name, as inscribed on a bond as owner or co-owner, has been changed in any manner other than by marriage. Banks are not authorized to make partial payments on bonds.

The earlier system of handling redemption applications through the Federal Reserve Banks will be continued for all Savings Bond issues where the bond owner prefers to use these facilities, and as the only authorized method of redemption of Series F and G bonds and, in a few cases, of the Series A-to-E issues.

Treasury officials said the new procedure might have a deterring effect on redemptions, since a considerable number of bond owners in the past have cashed their bonds well in advance of expected financial needs which actually never materialized, or have cashed bonds in larger amounts than, as later events proved, they actually needed. With the new method providing for immediate payment of eligible bonds upon their presentation to any qualified bank, it is believed many redemptions such as those heretofore made in anticipation of delay in payment, and later found unnecessary, will be avoided.

Another effect, Treasury officials said, may be to encourage the purchase of Series E Bonds by persons who have money on hand and are uncertain as to whether it will be needed for personal or family expenses. Knowing that Series E Bonds can be turned into cash immediately if emergency requires, they probably will resolve their doubts in favor of bond-buying.

REGULATIONS GOVERNING PAYMENTS BY INCORPORATED BANKS AND TRUST COMPANIES
IN CONNECTION WITH THE REDEMPTION OF UNITED STATES SAVINGS BONDS

1944
Department Circular No. 750
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, September 5, 1944.

Pursuant to the authority of the Second Liberty Bond Act, as amended, the following regulations are hereby prescribed to govern payments by incorporated banks and trust companies in connection with the redemption of United States Savings Bonds on and after October 2, 1944:

Subpart A—AUTHORITY TO ACT

Sec. 321.1. *Banks and trust companies authorized to act.*—All banks and trust companies, incorporated under general or special laws of the United States, the District of Columbia, any State, territory or insular possession of the United States, or the Canal Zone, are eligible and are hereby authorized, on and after October 2, 1944, to make payments in connection with the redemption of United States Savings Bonds, subject to the provisions of this circular and any instructions issued hereunder: *Provided, however,* That each bank or trust company must be duly qualified by the Federal Reserve Bank of the district¹ before it may make any such payment. Federal Reserve Banks, as fiscal agents of the United States, are authorized to qualify eligible banks and trust companies hereunder, and to terminate any such qualification as hereinafter provided.

Sec. 321.2. *Application and qualification.*—Any eligible bank or trust company which desires to qualify to make payments in connection with the redemption of United States Savings Bonds should make application to the Federal Reserve Bank of the Federal Reserve District in which it is located on Application-Agreement Form PD 1958 (see appended exhibit A), copies of which may be obtained from the appropriate Federal Reserve Bank. If the application is approved, the Federal Reserve Bank will forward to the bank or trust company a Notice of Qualification Form PD 1959 (see appended exhibit B), establishing that it is qualified to make payments in connection with the redemption of the United States Savings Bonds hereinafter specified. If the application is not approved, the bank or trust company will be so advised in writing by the Federal Reserve Bank of the District.

Sec. 321.3. *Termination of a bank's qualification to pay bonds.*—The Secretary of the Treasury or under authority of the Secretary the appropriate Federal Reserve Bank, as fiscal agent of the United States, may, by written notice, at any time and without previous demand or notice, terminate the qualification of any bank or trust company to pay United States Savings Bonds. A duly qualified bank or trust company may discontinue making payments at any time upon written notice to the Federal Reserve Bank, and its qualification shall thereupon cease.

Subpart B—GENERAL

Sec. 321.4. *Meaning of terms in this circular.*—Hereinafter, for the purposes of this circular, unless otherwise indicated specifically, or by context, the terms:

(a) "Bank(s)" shall mean any eligible incorporated bank(s) or trust company duly qualified pursuant to the provisions of this circular to make payments in connection with the redemption of the United States Savings Bonds hereinafter specified, including such branches and facilities thereof located within the United States (including the territories and insular possessions of the United States and the Canal Zone) as it may desire to utilize for this purpose. The term "facilities," as used herein, is defined as those bank facilities at army and navy installations and at defense plants which have been established for the duration of the war with the specific approval of the Treasury Department.

¹ For the purpose of this circular, banks and trust companies in Puerto Rico, the Virgin Islands and the Canal Zone shall be considered as being within the Second Federal Reserve District and shall make application to the Federal Reserve Bank of New York, and banks and trust companies in Alaska and Hawaii shall be considered as being within the Twelfth Federal Reserve District and shall make application to the Federal Reserve Bank of San Francisco.

(b) "Bond(s)" shall include *only* United States Savings Bonds of Series A, B, C, D or E, including bonds of Series E designated "Defense Savings Bonds" or "War Savings Bonds." (SAVINGS BONDS OF SERIES F AND G ARE NOT INCLUDED.)

(c) "Owner(s)" shall mean an individual (natural person) whose name is inscribed as an owner (or coowner) in his own right on a bond which is registered in any of the following forms:

- (1) in the name of a single individual in his own right, e.g. "John A. Jones;"
- (2) in the names of two individuals as coowners, e.g. "John A. Jones or Mrs. Ella S. Jones" (each is considered as an "owner," and payment may be made to either without the consent of the other); or
- (3) in the name of one individual, payable on death to another, e.g. "John A. Jones, payable on death to Mrs. Ella S. Jones," or "John A. Jones, p.o.d. Mrs. Ella S. Jones." (In this example, John A. Jones is the "owner" and Mrs. Ella S. Jones is the beneficiary. Payment under this circular to a beneficiary is not authorized.)

(d) "Federal Reserve Bank" includes each Federal Reserve Bank and each Branch of a Federal Reserve Bank which has been or may hereafter be utilized by such Federal Reserve Bank to conduct any of the transactions in connection with which the term is used in this circular.

Sec. 321.5. *Reimbursement of banks' costs.*—A bank shall not make any charge against the owners of bonds for payments made hereunder. However, each bank shall be entitled to receive, for its service in paying bonds hereunder, reimbursement for bonds paid and forwarded to the Federal Reserve Bank each calendar quarter according to the following scale, which shall be applicable separately to each bank and each of its branches and facilities, if utilized, and if the bonds paid by each are separately scheduled and accounted for:

- 15 cents each for the first 1,000 bonds
- 12 cents each for the second 1,000 bonds
- 10 cents each for all over 2,000 bonds

The date such bonds are forwarded to the Federal Reserve Bank will govern the rate of reimbursement, and the payment of such amount as the bank is entitled to receive shall be made by the Federal Reserve Bank on behalf of the Treasury Department.

Sec. 321.6. *Announcements etc. of authority to pay bonds.*—Any announcement of or any reference to a bank's authority to pay savings bonds may be made only in a form or manner or contain such statements or substance as may be approved by the Secretary of the Treasury or, under authority of the Secretary, by the Federal Reserve Bank of the District, as fiscal agent of the United States. A bank shall not make such announcements or references unless and until it is officially qualified to pay bonds.

Subpart C—SCOPE OF AUTHORITY OF BANKS

Sec. 321.7. *General.*—In order to protect the interests of the owners and to insure receipt by the proper persons of the proceeds thereof, savings bonds are registered, are not transferable, and are payable only to the owner named on the bond (except as otherwise specifically provided in the regulations governing the bonds). This policy must be understood and effectuated by each bank, notwithstanding the authority granted herein to make payments of bonds, since it is of the utmost importance that payment of the appropriate redemption value of the bonds be made to and received by only the persons entitled under the terms and conditions of the bonds and applicable regulations.

Sec. 321.8. *Payments authorized.*—Subject to the terms of the bonds and to the provisions of the regulations governing them (Treasury Department Circular No. 530, as currently in effect on the date of payment) and the provisions of this circular, a bank may make payment of any United States Savings Bond of **Series A, B, C, D or E**, to the individual (natural person) whose name is inscribed as the owner (or coowner) in his own right on the bond: *Provided*, That such individual presents the bond to the bank for

payment and that the individual is known to the bank or establishes his identity to the complete satisfaction of the bank. This authority to make payments to the owner named on the bond will be held to include the following exceptional cases:

- (a) Where the name of the owner as inscribed on the bond has been changed by marriage and the bank knows or can establish to its complete satisfaction the identity of the owner whose name has been so changed. The signature to the request for payment should show both names, for example—"Miss Mary T. Jones, now by marriage Mrs. Mary J. Smith." A BANK IS NOT AUTHORIZED TO PAY A BOND FOR AN OWNER WHOSE NAME AS INSCRIBED ON THE BOND HAS BEEN CHANGED IN ANY OTHER MANNER.
- (b) Where the name of the owner inscribed on the bond is that of a minor child who is not of sufficient competency and understanding to execute the request for payment and comprehend the nature of such act but upon whose behalf request for payment is made by a parent with whom the child resides: *Provided, however,* That the form of registration does not indicate a guardian or similar representative of the estate of the minor owner has been appointed or is otherwise legally qualified. The parent requesting payment on behalf of the minor child must be known or his or her identity established to the complete satisfaction of the bank, and the parent must sign the request for payment in the form—"John A. Jones, on behalf of John C. Jones" and affix an endorsement in substantially the following form, which may be typed on the back of the bond: "I certify that I am the (father or mother) of John C. Jones and the person with whom he resides. He is years of age and is not of sufficient competency and understanding to sign the request." *Such a payment may not be made to any person other than a father or mother.*

Sec. 321.9. *Specific limitations of payment authority.*—A bank is not authorized hereunder to pay a bond:

- (a) If the bond is presented for payment prior to the expiration of 60 days from the issue date (the issue date should not be confused with the date appearing in the issuing agent's dating stamp).
- (b) If the bank does not know or can not establish to its complete satisfaction the identity of the person requesting payment as the owner of the bond (including the establishment of the identity of parents requesting payment on behalf of minor children, as set forth in Sec. 321.8 (b)).
- (c) If the owner requesting payment (form for which appears on the back of each bond) does not sign his name in ink as it is inscribed on the face of the bond and show his home or business address. (See also Secs. 321.8(a) and (b) and 321.10(d)).
- (d) If the bond appears to bear a material irregularity, for example, an altered, illegible, incomplete or unauthorized inscription, issue date or issuing agent's validating stamp impression; or if a bond appears to be altered, or is mutilated or defaced in such a manner as to create doubt or arouse suspicion with respect to the bond or any essential part thereof.
- (e) If the bond is marked "DUPLICATE."
- (f) If Treasury Department regulations require the submission of documentary evidence to support the redemption of the bond, as in the case of deceased owners, incompetents or minors under legal guardianship or the change of an owner's name as inscribed on a bond if for any reason other than marriage.
- (g) If the owner named on the bond and requesting payment is a minor who, in the opinion of the bank, is not of sufficient competency and understanding to execute the request for payment and comprehend the nature of such act. (Note the authority granted to banks to make payments of bonds to either parent on behalf of a minor child under the provisions of Sec. 321.8(b)).
- (h) If it is known to the bank that the owner has been declared, in accordance with law, incompetent to manage his estate.
- (i) If partial redemption is requested.

Attention is directed to Sec. 321.17 hereof for handling bonds of the foregoing classes of cases which may not be paid by banks.

Subpart D—PAYMENT AND ACCOUNTING

Sec. 321.10. *Examination of bonds presented for payment.*—Before making payment of bonds presented hereunder the bank:

- (a) Shall determine that the person requesting payment as the “owner” (as defined in this circular) is known or his identity is established to the satisfaction of the bank.
- (b) Shall examine the bond and determine that it is a bond which the bank is authorized to pay under the provisions of this circular.
- (c) If the request for payment on the back of the bond is already executed, shall determine that the request is properly signed by the registered owner presenting the bond and that his home or business address is shown.
- (d) If the request for payment on the back of the bond has not been executed or has been improperly executed by the owner presenting the bond, shall require such owner to properly sign the request and show his home or business address.

Sec. 321.11. *Certification of requests for payment.*—In view of the provisions of this circular governing payment of bonds and the requirements as to the data to be endorsed on each bond, under Sec. 321.12, a bank will not be required in the case of any bond paid by it to complete the certification form at the end of the request for payment, nor determine the authenticity of any certification which may appear on the bond at the time it is presented for payment: *Provided, however,* That each bank submitting paid bonds shall be understood by such submission to have represented and certified that the identity of the owner requesting payment has been duly established to the satisfaction of the bank by one of its officers or by an employee duly authorized by the bank.

Sec. 321.12. *Determination of redemption values and payment of bonds.*—The redemption value of a bond is determined from the period of time (years and full half-year) that it has been outstanding, and the table of redemption values on each bond. The Federal Reserve Bank of the district will furnish each bank with a table of redemption values from which it will be possible, after determining the month and year of issue of any bond, to immediately establish its current value. After establishing such value, payment thereof to the owner requesting payment shall be made in cash. No objection will be made to an arrangement between the owner and the bank under which the owner accepts in lieu of cash, a credit to his checking or savings account with the bank, or a check or similar instrument payable to his order. Each bank shall place on the face of each bond paid by it the word “PAID”, the amount and date of payment and the name, location and transit (or code) number of the bank. Other data pertinent to the payment procedure of a bank may be included if approved by the Federal Reserve Bank of the District. The Federal Reserve Bank will furnish rubber stamps for this purpose or, in lieu thereof, will approve suitable stamps prepared by a bank. The affixation of such data shall be construed by and between the bank and the Treasury Department to be a certification by the paying bank that the bond has been paid in accordance with the terms and requirements of this circular and that payment of the proceeds of the bond has been made to the owner.

Sec. 321.13. *Forwarding paid bonds to the Federal Reserve Bank.*—After payment, the bonds shall be forwarded to the Federal Reserve Bank of the district in accordance with instructions issued by such Federal Reserve Bank.

Sec. 321.14. *Redemption of paid bonds by Federal Reserve Banks.*—Upon receipt of the paid bonds the Federal Reserve Bank will make immediate settlement with the forwarding bank for the total amount of payments made on such bonds; however, such settlement shall be subject to adjustment if any discrepancies are discovered at a later date.

Sec. 321.15. *Losses resulting from payments.*—Section 22 of the Second Liberty Bond Act, as amended, provides:

- “(i) Any losses resulting from payments made in connection with the redemption of savings bonds shall be replaced out of the fund established by the Government Losses in Shipment Act, as amended, under

such regulations² as may be prescribed by the Secretary of the Treasury. The Treasurer of the United States, any Federal Reserve Bank, or any incorporated bank or trust company authorized or permitted to make payments in connection with the redemption of such bonds, shall be relieved from liability to the United States for such losses, upon a determination by the Secretary of the Treasury that such losses resulted from no fault or negligence on the part of the Treasurer, the Federal Reserve Bank, or the incorporated bank or trust company * * *. The provisions of Section 3³ of the Government Losses in Shipment Act, as amended, with respect to the finality of decisions by the Secretary of the Treasury shall apply to the determinations made pursuant to this subsection. * * *".

(a) *Consideration of facts concerning loss.*—In any case in which a loss occurs, the paying bank shall be afforded ample opportunity to present all of the facts pertaining to the circumstances of the payment for consideration by the Secretary.

Sec. 321.16. *Preservation of rights.*—Nothing contained in these regulations shall be construed to limit or restrict any existing rights which holders of savings bonds may have acquired under the circulars offering such bonds for sale and the regulations prescribed thereunder.

Sec. 321.17. *Redemption of bonds not payable by banks.*—Any bonds which a bank is not authorized to pay pursuant to the provisions of this circular should be forwarded by the owner, or his agent, *after certification of the requests for payment*, to the Federal Reserve Bank or Branch of the District for redemption. If a bank should undertake to forward such unpaid bonds at the request and *in behalf of the person entitled to payment, such bonds must be sent separate and apart from bonds which the bank has paid*. Any documentary evidence required to support the redemption should accompany the bond or bonds when forwarded to the Federal Reserve Bank.

Sec. 321.18. *Functions of Federal Reserve Banks.*—The Federal Reserve Banks, as fiscal agents of the United States, are authorized to perform such duties, and prepare and issue such forms and instructions, as may be necessary to the fulfillment of the purpose and requirements of this circular. The Federal Reserve Banks, in their discretion, may utilize any or all of their Branches in the performance of these duties.

Sec. 321.19. *Supplements, Amendments, etc.*—The Secretary of the Treasury may at any time or from time to time supplement, amend, or withdraw, in whole or in part, the provisions of this circular, or of any amendments or supplements thereto, information as to which will be furnished promptly to the Federal Reserve Banks and to the banks qualified hereunder.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

² Regulations governing replacement of losses resulting from payments made in connection with the redemption of United States Savings Bonds are set forth in Treasury Department Circular No. 751.

³ The provisions of Section 3 of the Government Losses in Shipment Act, as amended, with respect to the finality of decisions by the Secretary of the Treasury are—"Notwithstanding any provision of law to the contrary, the decision of the Secretary of the Treasury that such loss, destruction, or damage has occurred or that such shipment was made substantially in accordance with such regulations shall be final and conclusive and shall not be subject to review by any other officer of the United States."

EXHIBIT "A"

Form PD 1958
TREASURY DEPARTMENT
Fiscal Service
Bureau of the Public Debt

APPLICATION-AGREEMENT

Payments by Incorporated Banks and Trust Companies in connection with
the redemption of United States Savings Bonds

Dated....., 194....

TO THE FEDERAL RESERVE BANK OF.....
As fiscal Agent of the United States

The undersigned, eligible under the provisions of Sec. 321.1 of United States Treasury Department Circular No. 750, hereby applies for qualification to make payments in connection with the redemption of United States Savings Bonds, as provided in the said Circular No. 750, and, upon being so qualified, hereby agrees:

1. To be bound by and to comply with the provisions of Treasury Department Circular No. 750, including all supplements and amendments thereof and instructions as may be issued thereunder.
2. That the Secretary of the Treasury, or the Federal Reserve Bank of, by written notice, may, at any time, and without previous demand or notice, terminate the qualification of the undersigned, if such authority is granted pursuant to this application; and that in the event of such termination the undersigned, after receipt of such notice or after the date of termination specified therein, will not thereafter pay any United States Savings Bonds.

It is understood that the undersigned may withdraw from this Agreement at any time upon written notice of such intention to 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 or committee adopted on the day of, 194....

.....
(Name)
.....
(Address)
By.....
(Signature of Officer)
.....
(Title of Officer)

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.....
(Title of Officer)
of the and that the seal affixed to the above instrument is the
(Name of Institution)
corporate seal of said institution, and that the above instrument was signed and sealed in behalf of said institution by authority of its governing board or committee, and said officer acknowledged said instrument to be the free act and deed of said institution.

.....
Notary Public

EXHIBIT "B"

Form PD 1959
TREASURY DEPARTMENT
Fiscal Service
Bureau of the Public Debt

NOTICE OF QUALIFICATION OF AN INCORPORATED BANK OR TRUST
COMPANY TO MAKE PAYMENTS IN CONNECTION WITH THE
REDEMPTION OF UNITED STATES SAVINGS BONDS.

....., 194.....

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

Your Application-Agreement Form PD 1958, dated has been approved as of this date. You are hereby notified that you are qualified to make payments in connection with the redemption of United States Savings Bonds pursuant to the provisions of Treasury Department Circular No. 750, and any supplements or amendments thereof and instructions issued pursuant thereto.

FEDERAL RESERVE BANK OF
Fiscal Agent of the United States

By.....

REGULATIONS GOVERNING REPLACEMENT OUT OF THE FUND ESTABLISHED BY THE
GOVERNMENT LOSSES IN SHIPMENT ACT, AS AMENDED, OF ANY LOSSES
RESULTING FROM PAYMENTS MADE IN CONNECTION WITH THE
REDEMPTION OF UNITED STATES SAVINGS BONDS

1944
Department Circular No. 751
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, September 5, 1944.

I. REGULATIONS PRESCRIBED

1. Pursuant to the authority of the Second Liberty Bond Act, as amended, the following regulations are hereby prescribed for the replacement out of the fund established by the Government Losses in Shipment Act, as amended, of any losses to the United States resulting from payments made in connection with the redemption of United States Savings Bonds, and shall apply to losses resulting from payments made (1) by the Treasurer of the United States, (2) by the Federal Reserve Banks and Branches, as fiscal agents of the United States, and (3) by incorporated banks and trust companies qualified pursuant to Treasury Department Circular No. 750, to pay savings bonds.

II. REPORTS OF LOSSES

1. A loss to the United States may result from an erroneous (or unauthorized) payment in connection with the redemption of savings bonds.

2. If an incorporated bank or trust company, qualified to pay savings bonds, after returns have been made to the Federal Reserve Bank finds an erroneous payment to have been made, immediate report should be made to the Federal Reserve Bank. Any such erroneous payments so reported, and any other erroneous payments found by a Federal Reserve Bank in returns from an incorporated bank or trust company shall, so far as possible, be adjusted between the Federal Reserve Bank and the incorporated bank or trust company concerned.

3. Any such erroneous payments which are not adjusted and any other erroneous payments otherwise found after the account of the Treasurer of the United States has been charged shall immediately be reported to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois.

III. FINAL DETERMINATION OF LOSSES

1. Following receipt of the report of an erroneous payment the Treasury Department will appropriately advise the paying agent concerned, unless such action is unnecessary. The Department shall determine whether or not appropriate adjustment may be effected with the persons concerned in the erroneous payment and in this connection will expect the cooperation of the paying agent, if necessary.

(a) If it is determined that no loss to the United States will occur the paying agent will be so advised.

(b) If it is determined that a final loss to the United States has occurred, the paying agent will be given every opportunity to present the full facts relating to the payment for consideration of the Secretary of the Treasury. If the Secretary shall determine that the final loss resulted from no fault or negligence on the part of the paying agent, the paying agent shall be relieved from liability to the United States. If, however, the Secretary of the Treasury finds fault or negligence on the part of the paying agent, notice to that effect will be given such paying agent who will make prompt restitution.

2. In no case will the Treasurer of the United States, a Federal Reserve Bank or Branch, or the banking institution which made the erroneous payment be called upon to make restitution unless and until it is determined that a final loss has been incurred as a result of an erroneous payment due to the fault or negligence of such paying agent.

IV. REPLACEMENT OF LOSSES OUT OF THE FUND

1. When it is established to the satisfaction of the Secretary of the Treasury that a loss has resulted from a payment made in connection with the redemption of a United States Savings Bond, the loss shall be subject to immediate replacement out of the fund established by the Government Losses in Shipment Act, as amended. Any recovery or repayment on account of any such loss as to which replacement shall have been made out of the fund, shall be credited to the fund.

V. INVESTIGATION OF LOSSES

1. The Treasury Department, and, in appropriate cases, Federal Reserve Banks, as fiscal agents of the United States, may request the Secret Service to investigate losses and assist in the recovery of improper payments. The Treasurer of the United States, the Federal Reserve Banks, and qualified banking institutions should cooperate with the Secret Service to the fullest extent in facilitating investigations and making recoveries.

VI. SUPPLEMENTS, AMENDMENTS, ETC.

1. The Secretary of the Treasury may at any time or from time to time supplement, amend, or withdraw, in whole or in part, the provisions of this circular, or of any amendments or supplements thereto, information as to which will be furnished promptly to the Federal Reserve Banks and to banking institutions qualified to make payments of savings bonds under the provisions of Treasury Department Circular No. 750.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

REGULATIONS GOVERNING UNITED STATES SAVINGS BONDS

1944
First Supplement to
Department Circular No. 530
Fifth Revision, Dated
June 1, 1942,
as amended.

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Washington, September 5, 1944

*To Owners of United States Savings Bonds of
Series A, B, C, D and E, and others concerned:*

The general payment and redemption provisions of the regulations governing United States Savings Bonds as set forth in Subpart H of Department Circular No. 530, Fifth Revision, dated June 1, 1942 (7 F.R. 5158), as amended, are supplemented as follows, effective October 2, 1944:

"Payment at banks and trust companies: Notwithstanding the foregoing provisions of this subpart, the provisions of Treasury Department Circulars Nos. 529, 554, 571, 596, and 653, all as supplemented, amended, or revised, and any instructions on the bonds, an individual (natural person) whose name is inscribed on the face of a bond of Series A, B, C, D, or E, either as owner or coowner in his own right, may present such bond (unless marked 'duplicate') to any incorporated bank or trust company which has qualified as a paying agent under the provisions of Department Circular No. 750, dated September 5, 1944, and upon identification to the satisfaction of such paying agent and upon signing the request for payment, may receive immediate payment for the bond at the current redemption value if presented prior to maturity, or at full maturity value if presented at or after maturity. No charge will be made to the owner.

Payment at qualified banks or trust companies is confined to bonds of Series A, B, C, D, and E and will be made only to a person named on the face of the bond as owner or coowner in his own right. Redemption of bonds of Series F and G, and partial redemption of bonds of any series, may not be effected at incorporated banks or trust companies.

The provisions of this supplement do not supersede the procedure heretofore established for the redemption of savings bonds, which will continue in full force and effect. However, they provide certain additional facilities for the redemption of savings bonds, which may be availed of by owners concerned, under the conditions set forth herein and when offered by qualified banks and trust companies."

HENRY MORGENTHAU, JR.,

Secretary of the Treasury.

TABLE OF CONTENTS FOR MEMORANDUM OF INSTRUCTIONS AND EXPLANATION ISSUED
IN CONJUNCTION WITH TREASURY DEPARTMENT CIRCULAR NO. 750

<i>Topics</i>	<i>Paragraph Number</i>
I. QUALIFYING TO PAY BONDS.....	2-4
II. ANNOUNCEMENTS REGARDING AUTHORITY TO PAY BONDS	5-7
III. GENERAL POLICY CONCERNING PAYMENT OF BONDS.....	8
IV. PAYMENTS AUTHORIZED	
General authority	9
Authority where owner's name is changed.....	10
Authority to pay to parents of minor owners.....	11
V. SPECIFIC LIMITATIONS ON PAYMENT AUTHORITY AND EXECUTION OF REQUESTS	
Time limitation on payments of bonds before maturity	12
Limitation on payments due to improper identification	13
General requirements	13(a)
Requirements where parents request payment on behalf of minors.....	13(b)
Requirements where owners' names are changed by marriage	13(c)
Limitation on payments due to improperly completed requests for payment.....	14
Form of signature	15
Signature by mark	16
Signature of parent of a minor.....	17
Signature of a person whose name is changed by marriage	18
Limitation on payments due to material irregularities (except mutilation or defacement).....	19
General	19(a)
Exception to limitation on payments due to material irregularities—forms of registration.....	19(b)
Exceptions to limitation on payments due to material irregularities—other than form of registration	19(c)
Limitations on payment due to mutilation or defacement of bonds	20
Limitations on payments due to "duplicate" bonds	21
Limitations on payments due to documentary evidence required to support redemption.....	22
Limitations on payments due to minority.....	23
Limitations on payments due to incompetency	24
Limitations on payments due to requests for partial redemption of bonds.....	25
VI. DETERMINATION OF REDEMPTION VALUES AND PAYMENT OF BONDS	
Determination of redemption values.....	26-27
Payment of redemption values.....	28
VII. RECORDING PAYMENT DATA ON PAID BONDS	
General	29
Payment stamps	30
Use of payment stamps.....	31
Recording amount of payment.....	31(a)
Recording date, transaction and the name and location of bank	31(b)
VIII. FORWARDING BONDS TO FEDERAL RESERVE BANKS	
Preparation	32
Frequency of making shipments.....	33
Manner of shipment and insurance.....	34-35
IX. SETTLEMENT FOR PAID BONDS.....	36
X. ADJUSTMENT OF BONDS ERRONEOUSLY PAID	
Error in amount of payment.....	37
Material irregularity discovered by Federal Reserve Bank	38
Errors or irregularities discovered by the Department	39
XI. REIMBURSEMENT FOR SERVICES IN PAYING BONDS.....	40-41

Important: This memorandum is for use of incorporated banks and trust companies *only*, and is not for general distribution.

**MEMORANDUM OF INSTRUCTIONS AND EXPLANATION ISSUED IN CONJUNCTION WITH
DEPARTMENT CIRCULAR NO. 750, PRESCRIBING REGULATIONS GOVERNING PAY-
MENTS BY INCORPORATED BANKS AND TRUST COMPANIES IN CONNEC-
TION WITH THE REDEMPTION OF UNITED STATES SAVINGS BONDS**

**Fiscal Service
Bureau of the Public Debt**

**TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, September 5, 1944**

1. This memorandum is presented for the guidance of eligible banks and trust companies considering the matter of qualifying to make payments of United States Savings Bonds under the provisions of Treasury Department Circular No. 750, and for the use of those institutions which have qualified. Its purpose is to explain in detail some of the provisions of the circular and to clarify the transactions authorized thereunder. Other instructions may be issued from time to time either directly by the Treasury Department or by the Federal Reserve Banks, as fiscal agents of the United States, which will be made available to each qualified bank. The terms "Federal Reserve Bank(s)," "bond(s)," "owner(s)" and "bank(s)" whenever used herein unless otherwise indicated specifically, or by context, shall have the same meaning as set forth in Sec. 321.4 of Circular No. 750.

I. QUALIFYING TO PAY BONDS

2. Sec. 321.1 of the circular provides that all banks and trust companies *incorporated* under general or special laws of the United States, the District of Columbia, any State, territory or insular possession of the United States or the Canal Zone are eligible to be qualified to make payments of savings bonds. Sec. 321.2 provides that any eligible bank or trust company desiring so to qualify shall file an Application-Agreement Form No. PD 1958, with the Federal Reserve Bank of the District in which it is located or to which it is assigned. Copies of the Application-Agreement form will be furnished by the Federal Reserve Banks. Accordingly, after the adoption of an appropriate resolution by its governing board or committee, each eligible bank desiring to qualify to pay bonds should have a duly authorized officer (a) complete and execute the Application-Agreement form on behalf of the bank (under its corporate seal), (b) have the form acknowledged before a notary public (who should affix his seal and indicate the date his commission expires), and (c) forward it to the Federal Reserve Bank of its District.

3. In a case where it appears to be desirable for a bank to begin making payments and it is impractical to call a meeting of the governing board or committee of a bank to adopt the appropriate resolution, consideration will be given to the temporary qualification of the bank pending action by its governing board or committee at its next regular meeting. The president of the bank or, if he is not available, the officer in charge, should advise the Federal Reserve Bank of the situation, stating the dates of the last preceding and the next meeting of its board or committee. The letter should state also that if the temporary qualification is granted, the board or committee will be requested at the next meeting to consider adoption of a formal resolution and to ratify the execution of the temporary Application-Agreement and the functions performed thereunder. After the governing board or committee takes action on the matter the bank will be expected to promptly forward its finally executed Application-Agreement, if any, to the Federal Reserve Bank, accompanied by a letter explaining the action taken by the board or committee with respect to ratification of the temporary Application-Agreement and the bank's activities thereunder.

4. The appropriate Federal Reserve Bank will consider each application (including temporary applications) and advise the applicant whether or not its application is approved. The qualification of a bank automatically qualifies any of its branches, or facilities (as defined in the circular), to pay savings bonds, if they are located within the United States (including the territories and insular possessions of the United States

and the Canal Zone). The Treasury will not object to a qualified bank entering into subagency agreements with local well established and reputable financial organizations. The terms of any subagency agreement are for determination by each paying bank: Provided, however, that no subagent shall be permitted any greater authority in the payment of bonds than is granted to the qualified bank. All bonds paid by a subagent and all transactions in connection therewith shall be handled by and through the bank establishing the subagent. Each qualified bank shall be fully responsible for the acts of its subagents and for losses resulting therefrom.

II. ANNOUNCEMENTS REGARDING AUTHORITY TO PAY BONDS

5. Sec. 321.6 of the circular provides that a bank shall not make any announcement or reference relating to its qualification or authority to pay savings bonds unless and until it is notified of its qualification by the Federal Reserve Bank. After receiving such notification the bank may make only such announcements or references as may be approved by the Secretary of the Treasury or by the Federal Reserve Bank of the District, as fiscal agent of the United States. The limitations covered in Sec. 321.6 refer to statements for publication or general distribution and should not be construed as prohibiting a bank from stating facts in reply to specific inquiries in the matter. It is expected, of course, that such statements will not be made in a manner or for the purpose of circumventing the prescribed limitations.

6. The announcement set forth below may be made at such time or times as may be deemed appropriate, in newspapers, magazines or other publications, or by a circular notice or envelope stuffer: Provided, however, that any such notice or stuffer should not be included in any mailing relating to the purchase or sale of savings bonds or other securities or in any mailing of such bonds or securities. The title of the announcement may not be printed in type larger than 12 point and the text of the announcement may not be printed in type larger than 10 point.

“ANNOUNCEMENT TO OWNERS OF UNITED STATES SAVINGS BONDS OF SERIES A, B, C, D AND E

“This bank is pleased to announce that it has been qualified by the United States Treasury Department to pay any Savings Bond of Series A, B, C, D or E, subject to that Department’s regulations, whenever any such bond is presented for that purpose by an individual (natural person) whose name appears on the bond as an owner or coowner and who furnishes proper identification.

“The Treasury Department and this bank sincerely request that you do not redeem any bond before its maturity date unless a real personal emergency requires such action. However, if circumstances require you to cash a bond this bank will be pleased to serve you.”

7. A qualified bank may include in any of its regular advertisements, or it may display in its lobby or window, any of the following:

“(AN) AUTHORIZED AGENT FOR PAYMENT OF U. S. SAVINGS BONDS SERIES A, B, C, D AND E”

“AUTHORIZED TO PAY U. S. SAVINGS BONDS SERIES A, B, C, D AND E”

“THIS BANK IS AUTHORIZED TO PAY U. S. SAVINGS BONDS SERIES A, B, C, D AND E.”

The bank’s name may be used with any of these statements. The use of these, or any other approved statements, in the newspapers or other form of printed matter should be in type not larger than 10 point. A lobby or window display of any approved statement must be kept to a conservative size. If a bank has made subagency agreements, its subagents may announce that they will pay U. S. Savings Bonds Series A, B, C, D and E for the account of bank. Such announcements, of course, must conform in size and character to those used by banks. Requests for use of statements in lieu of the foregoing should be submitted to the Federal Reserve Bank of the District.

III. GENERAL POLICY CONCERNING PAYMENT OF BONDS

8. Particular attention is directed to the provisions of Sec. 321.7 of the circular, because it is of the utmost importance that payment of the appropriate redemption value of the bonds be made to and received by only the persons entitled thereto under the terms and conditions of the bonds and applicable regulations. Banks have

both an opportunity and a responsibility to render a valuable public service by paying bonds only under circumstances which will accomplish this objective.

IV. PAYMENTS AUTHORIZED

9. *General Authority.*—Sec. 321.8 provides in general that qualified banks may pay a Savings Bond of Series A, B, C, D or E only upon the request of an individual (natural person) whose name actually is inscribed on the bond in the capacity of an owner or coowner: Provided, that the bank is completely satisfied that the bond is in order for payment, that the owner requesting payment is competent to act and that he is known to or has been identified to the complete satisfaction of the bank. Supplemental explanations, instructions and exceptions regarding these general statements are set forth hereinafter. UNDER NO CIRCUMSTANCES, HOWEVER, IS A BANK AUTHORIZED TO PAY ANY BOND OF SERIES F OR G, OR BONDS OF ANY SERIES IF INSCRIBED IN THE NAMES OF CORPORATIONS, ASSOCIATIONS, PARTNERSHIPS OR FIDUCIARIES. PAYMENT MAY NOT BE MADE BY BANKS TO A PERSON NAMED ON A BOND AS THE BENEFICIARY.

10. *Authority where owner's name is changed.*—Sec. 321.8 (a) provides that banks may pay bonds for owners where their names as inscribed on the bonds have been changed by marriage. HOWEVER, BANKS ARE NOT AUTHORIZED TO PAY BONDS FOR PERSONS WHOSE NAMES AS INSCRIBED ON THE BONDS HAVE BEEN CHANGED IN ANY OTHER MANNER.

11. *Authority to pay to parents of minor owners.*—Sec. 321.8 (b) provides that a bank may pay bonds to a parent (father or mother, but no other relative or person) on behalf of a minor child if the child named on the bond as an owner is too young to request payment on his own behalf and comprehend the nature of his act. However, such authority is conditioned on the facts that (a) the child lives with the parent and (b) that the inscription on the bond does not indicate the appointment of some other person as a guardian or similar legal representative of the estate of the minor. The term owner, as defined in Sec. 321.4 of the circular, is construed to include parents authorized to receive payment under Sec. 321.8 (b).

V. SPECIFIC LIMITATIONS ON PAYMENT AUTHORITY AND EXECUTION OF REQUESTS

12. *Time limitation on payments of bonds before maturity.*—Sec. 321.9 (a) provides that no bond may be paid until 60 days after the issue date of the bond. The issue date is the first day of the month in which payment was made for the bond and it should not be confused with the actual date of issue shown in the issuing agent's validating stamp impression on the bond.

13. *Limitation on payments due to improper identification*

(a) *General requirements.*—

(1) Sec. 321.0 (b) provides that before a qualified bank makes payment of a bond it must know or identify to its complete satisfaction the person requesting payment as the owner of the bond (including the identification of a parent requesting payment on behalf of a minor and a person whose name is changed by marriage).

(2) The Treasury Department will not prescribe the requirements a qualified bank should follow but will expect identifications to be made in a manner which will give assurance that the owner of the bond requesting payment receives the proceeds of the bond. In this connection signatures or other notations may be placed on the back of the bond for purposes of identification.

(3) The Department will not object to a qualified bank accepting bonds for payment by mail or otherwise from its depositors; Provided, that (a) each such depositor is also the owner requesting payment, (b) the bank is completely satisfied that the signature to each request for payment is that of the "owner depositor," and (c) the bank is satisfied that the owner desires the bond proceeds to be credited in his checking or savings account unless, of course, payment is made in cash, or by a check or similar instrument drawn to the order of the owner.

(4) United States Savings Bonds are not transferable and banks are authorized to pay them only to the owner named thereon. Accordingly, banks should bear in mind that payments should not be made if they in any way effect or assist in effecting the sale, discount or hypothecation of a bond.

(b) *Requirements where parents request payment on behalf of minors.*—Before making payment in these cases, the qualified bank must be completely satisfied as to the identity of the parent and reasonably certain of the facts to be certified to by the parent with respect to the minor child (see par. 11 hereof). Personal appearance of the child will not be necessary if the bank is reasonably satisfied as to the facts of the case.

(c) *Requirements where owners' names are changed by marriage.*—In the case of a request for payment by an owner whose name as inscribed on the bond has been changed by marriage, the qualified bank must be satisfied that the owner and the person requesting payment are one and the same before it makes payment.

14. *Limitation on payments due to improperly completed requests for payment.*—Sec. 321.9 (c) provides that a bond may not be paid if the owner does not complete and sign the request for payment (form for which appears on the back of each bond) in the prescribed manner (see following paragraphs). A qualified bank should require completion of the request for payment only after it is satisfied that the bond is in order for payment. If the form for requesting payment is completed before the bond is presented for payment the bank may have the owner again sign the request, immediately above or below the first signature. If it is not practicable so to place the second signature on the small size Series E bond, substantially the same wording of the REQUEST FOR PAYMENT form may be typed or imprinted on any other available place on the back of the bond. The request then may be completed and signed by the owner in the prescribed manner.

15. *Form of signature.*—The request for payment should be completed and signed in ink (indelible pencil may be accepted) to show (a) the full name (as inscribed on the bond) of the owner requesting payment and (b) his home or business address. It is important that the signature of such owner appear exactly as the name is inscribed on the bond. However, the Treasury Department is aware that slight errors and variations in the correct spelling of names of owners have been made inadvertently in inscribing bonds and that they have been undetected by the owner or, perhaps, considered by him to be of an insignificant nature. Although a bank is not required to pay bonds erroneously or improperly inscribed, it may wish to pay such bonds in some cases because of its knowledge of the facts or its reliance upon the integrity of the owner. Accordingly, if a qualified bank is satisfied that the owner named on the bond and the person requesting payment are one and the same, no objection will be made to effecting payment of such bonds. In such cases, however, the request for payment should show the name of the owner as inscribed on the bond followed by the correct signature. Each of these cases will require careful and individual consideration; therefore, the Treasury Department must place upon the paying bank the responsibility for determining the propriety of any such payment as may be made by it.

16. *Signature by mark.*—If an owner signs his name to the request for payment by mark, the signature should be in the form—"John J. Jones (X) his mark" and must be witnessed by at least one person in addition to the bank's employee paying the bond. The witness should attest substantially in the form—"Witness to the signature by mark" and sign his name and show his address immediately thereafter, on the back of the bond.

17. *Signature of parent of a minor.*—In an authorized case of a parent requesting payment on behalf of a minor owner (see par. 11 hereof), the parent should sign the request for payment in the form—"John A. Jones, on behalf of John C. Jones" and affix an endorsement in substantially the following form: "I certify that I am the (father or mother) of John C. Jones and the person with whom he resides. He is years of age and is not of sufficient competency and understanding to sign the request." This endorsement should be stamped, typed or written in ink (or indelible pencil) on the back of the bond.

18. *Signature of a person whose name is changed by marriage.*—In the case of a woman whose name as inscribed on the bond as owner has been changed by marriage, the signature to the request for payment should be in the form—"Miss Mary T. Jones, now by marriage Mrs. Mary J. Smith."

19. *Limitation on payments due to material irregularities*
(Except mutilation or defacement)

(a) *General.*—Sec. 321.9(d) provides that an altered, illegible, incomplete (in whole or in part) or unauthorized inscription, issue or maturity date or issuing agent's validating stamp impression ordinarily shall be considered a material irregularity which will render a bond ineligible for payment by a qualified bank.

(b) *Exception to limitation on payments due to material irregularities—forms of registration.*—Bonds undoubtedly will be presented for payment bearing variations from the forms of registration authorized by the Treasury. (Examples of authorized forms of registration are set forth in Sec. 321.4(c) of Circular No. 750. For a full coverage of authorized forms of registration, see Department Circular No. 530, as currently in effect at the time of payment.) Although banks are not required to pay bonds bearing such irregularities, no objection will be made to the payment of these bonds by a qualified bank if it is satisfied that payment will be made in accordance with the ownership interest conferred by the comparable authorized form of registration. For example, a bond bearing the form of registration—"John A. Jones and Miss Alice R. Jones," which is unauthorized, may be paid to either owner according to the rights obtained by owners under the comparable authorized registration form of—"John A. Jones or Miss Alice R. Jones." These cases will require careful and individual consideration; therefore, the Department must place upon the paying bank the responsibility for determining the propriety of any such payment.

(1) Attention is called to one Treasury approved variation to the authorized forms of registration. The War and Navy Departments (including the Coast Guard and Marine Corps) have been authorized, in the case of bonds issued to persons in the Military and Naval Forces of the United States, to show the name of the owner and the coowner or beneficiary, if any, without indicating the address of either, followed by one or more spaces and then showing the name and address of the person to whom the bond is mailed. *In these cases the name appearing with an address in this manner may be either (a) a repetition of the name of the owner, coowner or beneficiary, or (b) the name of another person. In any event the person whose name appears with an address in this manner does not thereby obtain any right or additional rights in the bond.* An example of this form of registration is:

<i>Registration</i>	<i>Comment</i>
John A. Jones	(Coowner
or	
Miss Alice R. Jones	(Coowner
Mr. Frank J. Jones	(Person to whom bond is mailed.
312 Main Street	This person obtains no right in
Center Point	the bond by reason of his name
Maine	being printed thereon.)

(c) *Exceptions to limitation on payments due to material irregularities—other than form of registration.*—It may be that bonds will be presented to banks for payment bearing material irregularities in the inscription, issue or maturity date or the issuing agent's validating stamp. (For example, a bond may lack an issuing agent's validating stamp. See also par. 15 hereof.) Although a bank is not required to pay bonds bearing irregularities, it may wish to pay such bonds in some cases because of its knowledge of the facts or its reliance upon the integrity of the owner. Accordingly, if a bank is fully satisfied that no fraud is involved in the apparent irregularities, no objection will be made to payment of the bonds by the bank. Each of these cases will require careful and individual consideration; therefore, the Department must place upon the paying bank the responsibility for determining the propriety of any such payment.

20. *Limitations on payment due to mutilation or defacement of bonds.*—Sec. 321.9(d) provides that if a bond or any essential part thereof appears to be altered or is mutilated or defaced in a manner creating doubt or arousing suspicion with respect to the authenticity or validity of the bond, it must not be paid by a qualified bank. Where suspicions are aroused, it would be helpful, if practicable, for the bank to give a receipt for the bond and to obtain as much information as possible concerning the person presenting it. The bond and information should be communicated promptly to the Federal Reserve Bank, which will take appropriate action in the matter.

21. *Limitation on payments due to "duplicate" bonds.*—In explanation of Sec. 321.9(e) it may be stated that a substitute savings bond marked "DUPLICATE" is issued by the Department in cases where a validly issued bond has been determined by the Secretary of the Treasury to have been lost, stolen or destroyed or to have been mutilated so as to require replacement. In some instances the bond assumed to have been lost, stolen or destroyed will have been redeemed at the time the bond marked "DUPLICATE" is presented for payment. In order to determine the facts of the case and prevent a possible loss to the United States, the Department

requires that all bonds marked "DUPLICATE" be cleared with it before payment. For that reason a qualified bank is not authorized under any circumstances to pay any savings bond marked "DUPLICATE."

22. *Limitations on payments due to documentary evidence required to support redemption.*—As indicated in Sec. 321.9(f), Treasury Department Regulations Governing United States Savings Bonds (Circular No. 530) require documentary evidence to support the redemption of a bond in certain circumstances. For example, where the owner is deceased and the beneficiary, if any, or some other party, requests payment of the bond; in most cases where an incompetent or minor is under legal guardianship; or where a request is made by a person whose name has been changed in any manner other than by marriage. As the Department desires to pass on the evidence submitted in these cases before payment is made, banks are not authorized to make payment in such cases.

23. *Limitations on payments due to minority.*—As stated in Sec. 321.9(g), a minor owner of a bond is not eligible to request payment thereof if he is not of sufficient competency and understanding to comprehend the nature of his act. The determination of the minor's competency and understanding is a matter for individual consideration in each case. A bank should be satisfied as to the lack of understanding and competency of the minor to act on his own behalf and that the child resides with the parent requesting payment before any such payment is made. Personal appearance of the child to determine his competency and understanding to act for himself will not be necessary if the bank knows of or is satisfied with respect thereto.

24. *Limitations on payments due to incompetency.*—Sec. 321.9 (h), provides that a bank should not pay a bond for an owner who, to the knowledge of the bank, has been declared, according to law, to be incompetent to manage his estate.

25. *Limitations on payments due to requests for partial redemption of bonds.*—In explanation of Sec. 321.9(i), it may be stated that Treasury Department regulations provide that savings bonds of any series in a denomination other than the lowest eligible for purchase by the general public may be redeemed in part at the current redemption value, but only in amounts corresponding to authorized denominations. In these cases the words—"to the extent of \$ (maturity value)," are added to the first sentence of the request for payment. However, a partial redemption requires also the reissuance of other bonds and special accounting; therefore, banks are not authorized to make any partial payments on bonds.

VI. DETERMINATION OF REDEMPTION VALUES AND PAYMENT OF BONDS

26. *Determination of redemption values.*—As stated in Sec. 321.12, the redemption value of a bond is determined from the period of years and full half-year the bond is outstanding and the table of redemption values on the bond. However, for the convenience of banks a special table of redemption values will be furnished *monthly* by the Federal Reserve Banks. From these tables the amount currently due on any bond of Series A, B, C, D and E of any denomination may readily be determined. The Federal Reserve Banks will advise banks of the date the tables should be expected each month and if they are not received by that time, the Federal Reserve Bank should be notified immediately. **EXTREME CARE SHOULD BE TAKEN TO USE ONLY THE TABLE ESPECIALLY PREPARED FOR THE MONTH DURING WHICH PAYMENTS ARE BEING MADE.**

27. Bonds increase in redemption value at the end of the first year from the issue date and at the end of each successive half-year period thereafter until maturity. In the event a bond is presented to a bank for payment just prior to a change in value of the bond, the owner should be reminded of this fact by the bank, if practicable, so that he may take advantage of the pending increase in value, if he so desires.

28. *Payment of redemption value.*—As further stated in Sec. 321.12, the current redemption value of a bond shall be paid by the bank in cash. However, no objection will be made to any arrangement mutually agreeable to the owner requesting payment and the bank making payment whereby the owner accepts, in lieu of cash, a credit to his checking or savings account with the bank, or a check or similar instrument payable to his order.

VII. RECORDING PAYMENT DATA ON PAID BONDS

29. *General.*—In order to facilitate handling of and accounting and settlement for paid bonds as well as to safeguard against payment of the bonds a second time, it is considered important for all concerned that paid

bonds be handled by banks in a manner which will accomplish these objectives at the time payment is made. With this in mind the Treasury Department has prescribed a hand stamp setting forth certain data to record payment, for use by tellers or other employees of qualified banks.

30. *Payment stamps.*—The Federal Reserve Bank of the District will provide hand stamps (hereinafter referred to as “payment stamp(s)”), and each bank seeking qualification should advise the Federal Reserve Bank as soon as possible of the data it desires recorded on the stamps it will use and the initial number of stamps to be required. The number of stamps should be kept to a minimum consistent with practical necessity. In the interest of uniformity it appears preferable that only the Federal Reserve Banks shall obtain the payment stamps. The data ordinarily to be included in the payment stamp will be as follows:

PAID \$	}	For recording amount paid
THE XYZ NATIONAL BANK		Name and location of bank and its ABA transit number, or code number, if any, assigned by Federal
68-76 XYZ, VA. 68-76		To show actual date of payment
OCT. 20, 1944		To show, as bank may elect, either (1) a code number or symbol representing the person making payment or (2) the written initial or signature of such person, or (3) both.
BY		10

In imprinting such stamps, black or dark blue nonwashable ink should be used and extreme care should be taken not to smear or blur the data recorded by the stamp.

31. *Use of payment stamps*

(a) *Recording amount of payment.*—As soon as a bond is paid the payment stamp should be imprinted on the bond. An unused space will be found in the upper right portion on the *face* of all bonds, immediately to the left of the panel or space used for stating the maturity date or period (in the case of bonds of Series A to D, inclusive), or the issue date (in the case of bonds of Series E). The payment stamp should be imprinted on the *face* of each paid bond in that space in a manner which will permit writing in a clear space the amount paid. Immediately after stamping the bond the amount of the bond payment should be written in ink (indelible pencil or a dark colored crayon will be accepted) in such space on the *face* of the bond. If more than one bond is presented at the same time by the same owner, *each* bond must be stamped and the amount paid on *each* bond must be shown thereon. It is essential for facilitating the handling of the bonds that the amount of the bond payment be recorded in the same general area on all bonds. The necessity of a permanent record is the reason for requesting that the amount be recorded in ink, although indelible pencil or a dark colored crayon may be used. In any recording made on the face of a bond by a bank, extreme care should be exercised to prevent defacing the bond's serial number, the name and address of any of the owners or the beneficiary, the issue or maturity dates, or the issuing agent's validating stamp. *Only the payment stamp of the qualified bank should be placed on the bond.*

(b) *Recording date, transaction and the name and location of bank.*—As provided in Sec. 321.12, each bond shall show in addition to the amount of payment (a) the date of the payment (month, day and year), (b) the name, location and ABA transit number of the paying bank (or a code number, if any, assigned by the Federal Reserve Bank, and (c) the word “PAID.” All of this data will be provided in the bank's payment stamp. Particular care should be taken to insure recording the correct date of payment of each bond. A number or other symbol indicating the person in the bank or the subagency thereof responsible for the bond payment, and provision for signature or initials, may be included.

VIII. FORWARDING BONDS TO FEDERAL RESERVE BANKS

32. *Preparation.*—Sec. 321.13 provides that banks shall submit paid bonds to Federal Reserve Banks under instructions of such banks. These instructions will not require any special sorting of bonds prior to shipment, except that bonds paid in one month *must* be segregated from bonds paid in another month.

(a) Banks will be expected to prepare and forward to the Federal Reserve Bank a list showing the amount paid on each bond included in a shipment and the total amount paid on all such bonds. The amount paid on each bond, and the serial number (unless a microfilm or other record is maintained as hereinafter pro-

vided) should be listed in the order in which the bonds are to be dispatched to the Federal Reserve Bank. The original list should be included with the shipment and a copy should be retained by the bank. The lists (hereinafter referred to as transmittal letters) may be prepared on the type of cash letter form used by the bank in forwarding checks for cash collection. Each transmittal letter will be expected also to show the total number of bonds presented with that transmittal letter, in order to facilitate computation of the amount due the bank as a reimbursement for services in paying bonds.

(b) These paid bonds will be subject to the provisions of the Government Losses in Shipment Act, as amended, while they are in shipment (see par. 34 hereof). It will be essential to any claim that may be made by a bank for relief under the provisions of that Act, in the event of the loss or destruction of or damage to the bonds during shipment, that the bonds be identified by serial numbers and amounts paid. If the Treasury Department is advised of the month of payment, and the serial number and the amount paid on each bond in the shipment, the Department will be able to identify the bonds included in the shipment and to make settlement with the paying bank. Relief may not be granted otherwise. A bank may establish a record of the bonds included in a shipment by (a) microfilm, (b) by recording the bond serial numbers on its transmittal letters directly opposite the respective bond redemption values set forth thereon, or (c) it may establish the necessary record in any other manner it deems desirable.

33. *Frequency of making shipments.*—A bank may forward bonds to the Federal Reserve Bank each business day, although where a bank pays only a small volume of bonds it will be advantageous if daily shipments can be avoided. IN ANY EVENT ALL PAID BONDS ON HAND ON THE LAST BUSINESS DAY OF A MONTH MUST BE FORWARDED TO THE FEDERAL RESERVE BANK NOT LATER THAN THE FOLLOWING BUSINESS DAY.

34. *Manner of shipment and insurance.*—The shipment of paid bonds to a Federal Reserve Bank by a bank will be made at the risk of the United States. Accordingly, the shipments will be subject to the provisions of the Government Losses in Shipment Act, as amended,¹ and the regulations² prescribed pursuant thereto, except as may be modified hereunder. Bonds paid under the provisions of Treasury Department Circular No. 750 may be prepared for dispatch and may be shipped to the Federal Reserve Bank in the same or a substantially similar manner in which the bank handles and ships checks for cash collection. Assuming that (a) the basic record of shipment, as provided in paragraph 32 hereof, is maintained, (b) the bonds are properly stamped, as provided in paragraph 31 hereof, and (c) due care is used in handling the paid bonds, a bank should have no difficulty in establishing its claim for and obtaining relief under the Act in the event a shipment is lost, destroyed or damaged.

35. A bank will not be required to mail to Federal Reserve Banks or the Treasury Department separate notices of each shipment made, nor will it have to make any accumulated report of shipments effected under the Act. In the event it comes to the knowledge of a bank that any shipment made by it has been lost, destroyed or damaged, or if it has been so alleged, immediate notice thereof should be given the Federal Reserve Bank. All provisions of Treasury Department regulations relating to the handling and shipment of valuables under the Government Losses in Shipment Act, as amended, which are inconsistent with the provisions of this memorandum are hereby modified with respect to the shipment of paid bonds by qualified banks.

IX. SETTLEMENT FOR PAID BONDS

36. As provided in Sec. 321.14, immediate settlement will be made by Federal Reserve Banks for the total amount of paid bonds submitted by a bank. Settlement will be made according to the request of the paying bank, by credit in its reserve account if it is a member of the Federal Reserve System, or in its clearing account (if any) if the bank is not a member of the System, or in the reserve or clearing account of a correspondent of a qualified bank, or settlement will be made by a check issued by the Federal Reserve Bank. Although Federal Reserve Banks will examine paid bonds promptly, such examination and redemption of the bonds will not always be possible on a daily basis. In each instance settlement will be subject to later adjustment for incorrect or improper payment of bonds.

¹ Act of July 8, 1937, C. 444, Sec. 1, 50 Stat. 479 as amended by the Act of August 10, 1939, C. 665, Sec. 1, 53 Stat. 1358; U.S.C., title 5, Sec. 134.

² Treasury Department Circulars Nos. 576 and 577.

X. ADJUSTMENT OF BONDS ERRONEOUSLY PAID

37. *Error in amount of payment.*—In the event of over payment or under payment of the proper redemption value due on a bond, the Federal Reserve Bank will make the necessary correction on the bond and its records and will advise the paying bank of the discrepancy, furnishing all the details necessary for the bank to effect an adjustment with the owner.

38. *Material irregularity discovered by Federal Reserve Bank.*—Bonds bearing material irregularities of a nature which make it necessary to return them to the bank will be returned promptly after discovery of the irregularity by the Federal Reserve Bank. If a bond appears to have been materially altered or mutilated with intent to defraud, the original bond should be retained by the Federal Reserve Bank for investigation of the case and a photostatic copy of the bond forwarded to the bank. Thereafter, if and when the bond is acceptable for redemption, the Federal Reserve Bank of the District will give instructions to the bank with regard to disposition of the case. Adjustment for the amount of payment represented by the bond, if any, will be made in the manner set forth in paragraph 37 hereof.

39. *Errors or irregularities discovered by the Department.*—Where an erroneous payment of or an irregularity in a bond is discovered by or brought to the attention of the Treasury Department after receipt by it of the bond, prompt notice will be given to the bank and the case will be handled as the circumstances may require: Provided, however, that the bank which paid the bond will not be required to make restitution in connection with such bond unless and until it is determined by the Secretary of the Treasury that a loss has been sustained by the United States as a result of fault or negligence on the part of the bank.

XI. REIMBURSEMENT FOR SERVICES IN PAYING BONDS

40. Under the provisions of Sec. 321.5 of Circular No. 750, a qualified bank is entitled to receive reimbursement for its service in paying savings bonds. Forms will be supplied by the Federal Reserve Banks for presenting claims for such reimbursement. Each bank desiring reimbursement should present its claims promptly after the close of each quarter (ending March, June, September and December).

41. The form will provide for stating the number of bonds paid and the amount of reimbursement claimed. In stating the number of bonds paid during a quarter, there should be taken into consideration the total number of bonds included on each of the bank's transmittal letters bearing a date within the quarter regardless of when the bonds were received by the Federal Reserve Bank. This procedure, it is believed, will provide a uniform basis for stating and auditing claims. Each branch or facility of a qualified paying bank may be regarded as a separate entity in computing claims, provided separate transmittal letters support bonds paid by each. Such bonds may be shipped directly to the Federal Reserve Bank by the branch or facility, or through the parent bank. Subagencies will not be regarded as entities for this purpose, under any circumstances. In the event a Federal Reserve Bank returns a paid bond (or a photostatic copy thereof) to a bank for correction and resubmission as new business, the tally for the current quarter shall be reduced accordingly, and the bond will be counted, for the purpose of computing reimbursement, under the date of the subsequent transmittal letter with which it is resubmitted.

42. Any inquiry in connection with this memorandum or other inquiry with respect to this subject should be communicated to the Federal Reserve Bank of the District in which the bank is located.

D. W. BELL

Under Secretary of the Treasury

INDEX FOR MEMORANDUM OF INSTRUCTIONS AND EXPLANATION ISSUED IN
CONJUNCTION WITH TREASURY DEPARTMENT CIRCULAR NO. 750

	Paragraph Number
ANNOUNCEMENTS BY BANKS OF AUTHORITY TO PAY BONDS	
Approved announcements	6, 7
Manner and frequency of making.....	6, 7
Prohibition against making.....	5
Requests for making announcements not covered in memorandum	7
DISCOUNTING, HYPOTHECATION, ETC. OF BONDS	13(a)(4)
PAYMENT OF BONDS	
Associations, payments prohibited when bonds are so inscribed	9
Beneficiaries, payments prohibited to person named in such capacity on the bond.....	9
Corporations, payments prohibited when bonds are so inscribed	9
Documentary evidence supporting payment, prohibition on payment of such bonds.....	22
"DUPLICATE" Bonds, prohibition on payment of bonds so marked	21
Fiduciaries, payments prohibited when bonds are so inscribed	9
Forwarding paid bonds to Federal Reserve Banks	
Frequency of forwarding.....	33
Insurance of shipments.....	32(b), 34, 35
Listing bonds forwarded.....	32(a)
Losses of shipments.....	32(b), 34, 35
Manner of forwarding.....	34
Microfilming, or other records of bonds forwarded.....	32(b)
Preparation of bonds.....	32
Records and reports of bonds forwarded.....	32(a), 32(b), 34, 35
Sorting of bonds	32
General authority	9
Identification	
Change of name (person whose name is changed by marriage, see also pars. 10, 18).....	13(c)
General requirements	13(a)(1), (2), (3) and (4)
Mail or otherwise, bonds presented by, identification of customers	13(a)(3)
Notations on back of bonds for purpose of.....	13(a)(2)
Parents of incompetent minors, (see also pars. 11, 17)	13(b)
Incompetency of owners.....	24
Irregularities	
Exceptions to general limitations on payments (see par. 19(a))	
Variations from form of registration authorized by Treasury	19(b), 19(b)(1)
Variations in inscription, issue or maturity dates or the issuing agent's validating stamp.....	19(c)
General, limitation on payments.....	19(a)
Limitations on payments due to time bond is outstanding	12
Mail, or otherwise, presentation of bonds for payment.....	13(a)(3)
Minors	11, 13(b), 17, 23
Mutilation or defacement of bonds, limitation of payments and action to be taken.....	20
Owners, changes in name of as inscribed on bond (see also pars. 13(c), 18).....	10
Parents of incompetent minors.....	11, 13(b), 17
Payment, cash, checks, deposits.....	28
Payment, recording amount of on bond.....	31(a)
Partial payments	25
Partnerships, payments prohibited when bonds are so inscribed	9
Policy, general	8
Redemption values	
Tables of, to be provided banks monthly.....	26
Values change in month succeeding that in which bond is presented	27
Request for payment, Form of	
Form of request completed before presentation (see par. 13(a)(3))	14
General requirements for completion.....	14
Signatures to, requirements and exceptions.....	15
Signature to, by mark.....	16
Signature to, by parent of incompetent minor (see also pars. 11, 13(b)).....	17
Signature to, by owner whose name is changed by marriage (see also pars. 10 and 13(c)).....	18
Settlement for paid bonds	
Adjustments, errors in payment and irregularities.....	37, 38, 39
By Federal Reserve Banks.....	36
PAYMENT STAMPS	
Data to be recorded by.....	31(b)
Ink to be used.....	31(a)
Obtaining from Federal Reserve Banks.....	30
Specimen of data shown on stamp.....	30
Use of stamps	31(a)
QUALIFICATION TO PAY BONDS	
Application-Agreement Form (execution and presentation thereof)	2
Bank eligible to qualify.....	2
Branches and facilities of banks.....	4
Notice of qualification (approval or disapproval of application)	4
Subagents, establishment of by banks.....	4
Temporary qualifications	3
REIMBURSEMENT FOR SERVICES	
Banks entitled to.....	40
Bonds to be included in computation of amount reimbursement	41
Claims for, banks, branches and facilities.....	41
Treatment of bonds returned due to improper payment.....	41

APPLICATION-AGREEMENT

Payments by Incorporated Banks and Trust Companies in connection with
the redemption of United States Savings Bonds

Dated....., 194....

TO THE FEDERAL RESERVE BANK OF NEW YORK
As fiscal Agent of the United States

The undersigned, eligible under the provisions of Sec. 321.1 of United States Treasury Department Circular No. 750, hereby applies for qualification to make payments in connection with the redemption of United States Savings Bonds, as provided in the said Circular No. 750, and, upon being so qualified, hereby agrees:

1. To be bound by and to comply with the provisions of Treasury Department Circular No. 750, including all supplements and amendments thereof and instructions as may be issued thereunder.
2. That the Secretary of the Treasury, or the Federal Reserve Bank of New York, by written notice, may, at any time, and without previous demand or notice, terminate the qualification of the undersigned, if such authority is granted pursuant to this application; and that in the event of such termination the undersigned, after receipt of such notice or after the date of termination specified therein, will not thereafter pay any United States Savings Bonds.

It is understood that the undersigned may withdraw from this Agreement at any time upon written notice of such intention to the Federal Reserve Bank of New York.

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 or committee adopted on the day of, 194....

.....
(Name)

.....
(Address)

[SEAL]

By.....
(Signature of Officer)

.....
(Title of Officer)

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.....
(Title of Officer)

of the and that the seal affixed to the above instrument is the
(Name of Institution)
corporate seal of said institution, and that the above instrument was signed and sealed in behalf of said institution by authority of its governing board or committee, and said officer acknowledged said instrument to be the free act and deed of said institution.

.....
Notary Public

(Notary Public should affix seal and indicate date when his commission expires.)

at 2834

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

*To each Incorporated Bank or Trust Company in the
Second Federal Reserve District, Except Buffalo Branch Territory,
Qualified to Make Payments in connection with the Redemption of United States Savings Bonds:*

Your Application-Agreement Form PD 1958 has been approved and we enclose a notice of your qualification to make payments in connection with the redemption of United States Savings Bonds pursuant to the provisions of Treasury Department Circular No. 750 and the instructions issued thereunder. In no event should any such payments be made prior to October 2, 1944.

Bonds paid by you and sent to us for redemption should be addressed to the Federal Reserve Bank of New York, Savings Bond Redemption Department, Federal Reserve P.O. Station, New York 7, New York, and no other securities, checks or other matter should be included in the same package. The amount paid by you in respect of each bond forwarded for redemption, together with the serial number of such bond, should be listed on the transmittal letter (Form Sav. B-28), except that you will not be required to list the serial numbers if you retain a microfilm or other record from which you will be in a position to furnish the serial numbers and amounts paid in respect of all bonds included in each shipment in the event of loss or destruction. The original of the transmittal letter should be forwarded with the paid bonds, and the duplicate retained by you as your record. Bonds paid in different calendar months should not be included in the same transmittal letter. Shipments of bonds made by you in accordance with the provisions of Part VIII of the Treasury Department's Memorandum of Instructions dated September 5, 1944, which is included in our Circular No. 2834, dated September 5, 1944, will be at the risk of the United States and no other insurance is required.

If you are a member bank or if you maintain a nonmember clearing account with us, settlement for the total amount of paid bonds submitted by you will be made by immediate credit to your reserve account or nonmember clearing account, subject to later adjustment if our examination of the bonds should disclose incorrect or improper payments. If payment is made by credit to your reserve or nonmember clearing account, you will receive advice of such credit on Form BK 129, which is our regular form of advice of credits to your account for cash items forwarded by you; credits for paid bonds submitted for redemption will be distinguished from other credits listed on Form BK 129 by the letters "SB" preceding the amounts. Advice of credits for bonds forwarded by a branch of a bank will be sent to the head office only; it is suggested, therefore, that each branch notify its head office of the total amount of each shipment of bonds transmitted to us. If you do not maintain a reserve account or nonmember clearing account with us, you have the option of receiving payment by check or by credit to an account maintained with us by one of your correspondents with advice of credit to you and to the correspondent. If you wish us to credit the account of a correspondent, you should always specify the same correspondent.

You should be careful that the proceeds of savings bonds presented to you for payment are received by the persons entitled thereto, and that each bond paid by you bears a clear imprint of your payment stamp and a legible notation of the amount paid.

We are preparing payment stamps for your use and will forward them to you within a few days together with a supply of Form Sav. B-28 referred to above. Additional copies of our Circular No. 2834, dated September 5, 1944, containing regulations and instructions governing the payment of bonds, and of this letter will be furnished promptly upon request.

ALLAN SPROUL,
President.

NOTICE OF QUALIFICATION OF AN INCORPORATED BANK OR TRUST
COMPANY TO MAKE PAYMENTS IN CONNECTION WITH THE
REDEMPTION OF UNITED STATES SAVINGS BONDS.

....., 194.....

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

Your Application-Agreement Form PD 1958, dated has been approved as of this date. You are hereby notified that you are qualified to make payments in connection with the redemption of United States Savings Bonds pursuant to the provisions of Treasury Department Circular No. 750, and any supplements or amendments thereof and instructions issued pursuant thereto.

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

By.....

Letter **No** 108

**PAID UNITED STATES SAVINGS BONDS
 TRANSMITTED HEREWITH FOR REDEMPTION**

BY

ABA TRANSIT NO..... DATE.....

SCHEDULE OF AMOUNTS PAID AND BOND NUMBERS

Bond serial number is not required if bank maintains microfilm or other record of numbers of bonds included in this shipment.

Amounts Paid By Us For Bonds Forwarded	Serial Number of Paid Bonds
TOTAL	

If more than one sheet is used the total amount paid, the class of payment desired and the total number of pieces should be stated on the last sheet only.

MAKE PAYMENT FOR BONDS FORWARDED BY:

Credit to our Reserve account..... [

By credit to our account with:

By check to our order..... [

NUMBER OF PIECES FORWARDED HEREWITH

Number	Face Amount	Total Face Amount
..... @	\$ 10	.....
..... "	25	.....
..... "	50	.....
..... "	100	.....
..... "	500	.....
..... "	1,000	.....

Forward the above listed bonds with the original of this letter under separate cover to the Federal Reserve Bank of New York, Savings Bond Redemption Department, New York 7, New York.

COUNTED

RECORDED

EXAMINED

Letter **No** 108

**PAID UNITED STATES SAVINGS BONDS
 TRANSMITTED HEREWITH FOR REDEMPTION**

BY

ABA TRANSIT NO..... DATE.....

SCHEDULE OF AMOUNTS PAID AND BOND NUMBERS

Bond serial number is not required if bank maintains microfilm or other record of numbers of bonds included in this shipment.

Amounts Paid By Us For Bonds Forwarded	Serial Number of Paid Bonds
TOTAL	

If more than one sheet is used the total amount paid, the class of payment desired and the total number of pieces should be stated on the last sheet only.

MAKE PAYMENT FOR BONDS FORWARDED BY:

Credit to our Reserve account..... [

By credit to our account with:

By check to our order..... [

NUMBER OF PIECES FORWARDED HEREWITH

Number	Face Amount	Total Face Amount
..... @	\$ 10	.....
..... "	25	.....
..... "	50	.....
..... "	100	.....
..... "	500	.....
..... "	1,000	.....
=====		=====

Forward the above listed bonds with the original of this letter under separate cover to the Federal Reserve Bank of New York, Savings Bond Redemption Department, New York 7, New York.

COUNTED	RECORDED	EXAMINED
---------	----------	----------

BUFFALO BRANCH
OF THE
FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

*To each Incorporated Bank or Trust Company in the
Buffalo Branch Territory, Second Federal Reserve District,
Qualified to Make Payments in connection with the Redemption of United States Savings Bonds:*

Your Application-Agreement Form PD 1958 has been approved and we enclose a notice of your qualification to make payments in connection with the redemption of United States Savings Bonds pursuant to the provisions of Treasury Department Circular No. 750 and the instructions issued thereunder. In no event should any such payments be made prior to October 2, 1944.

Bonds paid by you and sent to us for redemption should be addressed to the Buffalo Branch, Federal Reserve Bank of New York, Savings Bond Redemption Division, Buffalo 5, New York, and no other securities, checks or other matter should be included in the same package. The amount paid by you in respect of each bond forwarded for redemption, together with the serial number of such bond, should be listed on the transmittal letter (Form Sav. B-28), except that you will not be required to list the serial numbers if you retain a microfilm or other record from which you will be in a position to furnish the serial numbers and amounts paid in respect of all bonds included in each shipment in the event of loss or destruction. The original of the transmittal letter should be forwarded with the paid bonds, and the duplicate retained by you as your record. Bonds paid in different calendar months should not be included in the same transmittal letter. Shipments of bonds made by you in accordance with the provisions of Part VIII of the Treasury Department's Memorandum of Instructions dated September 5, 1944, which is included in our Circular No. 2834, dated September 5, 1944, will be at the risk of the United States and no other insurance is required.

If you are a member bank or if you maintain a nonmember clearing account with us, settlement for the total amount of paid bonds submitted by you will be made by immediate credit to your reserve account or nonmember clearing account, subject to later adjustment if our examination of the bonds should disclose incorrect or improper payments. If payment is made by credit to your reserve or nonmember clearing account, you will receive advice of such credit on Form BTR 96B which is our regular form of advice of credits to your account for cash items forwarded by you; credits for paid bonds submitted for redemption will be distinguished from other credits listed on Form BTR 96B by the letters "SB" preceding the amounts. Advice of credits for bonds forwarded by a branch of a bank will be sent to the head office only; it is suggested, therefore, that each branch notify its head office of the total amount of each shipment of bonds transmitted to us. If you do not maintain a reserve account or nonmember clearing account with us, you have the option of receiving payment by check or by credit to an account maintained with us by one of your correspondents with advice of credit to you and to the correspondent. If you wish us to credit the account of a correspondent, you should always specify the same correspondent.

You should be careful that the proceeds of savings bonds presented to you for payment are received by the persons entitled thereto, and that each bond paid by you bears a clear imprint of your payment stamp and a legible notation of the amount paid.

We are preparing payment stamps for your use and will forward them to you within a few days together with a supply of Form Sav. B-28 referred to above. Additional copies of our Circular No. 2834, dated September 5, 1944, containing regulations and instructions governing the payment of bonds, and of this letter will be furnished promptly upon request.

R. B. WILTSE,
Managing Director.