

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 3251]
[August 27, 1947]

REGULATIONS GOVERNING UNITED STATES SAVINGS BONDS
First Amendment to Treasury Department Circular No. 530, Sixth Revision

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

Enclosed is a copy of the First Amendment, dated July 25, 1947, to Treasury Department Circular No. 530, Sixth Revision. The principal changes effected by the amendment are the following:

Section 315.14. When a certified copy of a judgment or decree of court is submitted in support of an application for payment or reissue pursuant to judicial proceedings, as provided in Section 315.13, a certificate from the clerk of the court showing that such judgment or decree is in full force and effect will be required henceforth only when the judgment or decree was rendered more than six months prior to the presentation of the bond for payment or reissue.

Section 315.23. Subsection (b) has been reworded in order to clarify its provisions, but the substance has not been changed. Subsection (d) has been added to the regulations to provide for withdrawal of requests for redemption after receipt of the bonds by the Treasury Department or a Federal Reserve Bank, but prior to the issuance of the check in payment thereof. Subject to the limitations of this Subsection, a request for redemption of a Series G bond at current redemption value made by the owner prior to his death may be withdrawn, and a request for payment at par before maturity by reason of the owner's death may be substituted.

Section 315.47. Two important modifications have been made in Subsection (a) in respect of requests for payment or reissue of bonds registered in the names of deceased owners. Subparagraph (2) of that subsection formerly required that proof of the authority of a deceased owner's personal representative, except in the case of a corporate representative, contain a statement that the appointment is in full force and that it be dated within six months of the date of presentation of the bond; henceforth such proof need not contain such a statement, and need not be dated within six months of the date of presentation of the bond, if the appointment of the personal representative is shown to have been made within one year immediately prior to the presentation of the bond. Subparagraph (4) of Subsection (a), which heretofore required that a request for reissue of a bond in the name of a sole personal representative in his own right be supported by a specific order of court, has been eliminated; such a representative may now apply for reissue to himself individually by executing a request for such reissue and certifying that he is entitled to share in the estate to the extent specified.

Section 315.50. Subsection (a) has been amended to permit reissue in the name of a sole trustee in his own right, without requiring a specific court order as heretofore.

The Treasury Department has requested that banks and trust companies, and any other institutions which may have occasion to submit requests for redemption of Series G bonds at par before maturity, give particular attention to the provisions of Section 315.23 of the regulations, as amended, with respect to the redemption of Series G bonds at par before maturity. The Treasury has experienced many instances in which Series G bonds have been submitted for redemption in such a manner and under such circumstances as to lead it to believe that the bonds were tendered for redemption at current redemption value in the ordinary course. It has subsequently developed in many such cases that there had been a death which would have permitted payment at par before maturity, and that payment at par was in fact desired. The adjustments which the Treasury has been required to make in such instances have been troublesome and expensive. The Treasury requests, therefore, that in each instance in which redemption of Series G bonds at par before maturity is desired, specific notice be given of intent to redeem at par and mention be made of the death of the person upon which the notice to redeem at par before maturity is based.

Additional copies of this circular and of the enclosure will be furnished upon request.

ALLAN SPROUL,
President.

REGULATIONS GOVERNING UNITED STATES SAVINGS BONDS

1947

First Amendment to
Department Circular No. 530,
Sixth Revision, dated
February 13, 1945

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, July 25, 1947.

To Owners of United States Savings Bonds and Others Concerned:

Pursuant to Section 22(a) of the Second Liberty Bond Act as amended (55 Stat. 7, 31 U. S. C. and Sup. 757c), which authorizes the Secretary of the Treasury to issue United States Savings Bonds "in such manner and subject to such terms and conditions . . . including any restrictions on their transfer, as the Secretary of the Treasury may from time to time prescribe," Sections 315.14 of Subpart D, 315.23 of Subpart H, Subpart N, and Section 315.50 of Subpart O of Department Circular No. 530, Sixth Revision, dated February 13, 1945 (31 C. F. R. 1945 Supp., 315), are hereby revised to read as follows:

Sec. 315.14. *Evidence necessary.*—To establish the validity of judicial proceedings there must be submitted a certified copy of a final judgment or decree of court and of any necessary supplementary proceedings. If the judgment or decree of court was rendered more than six months prior to presentation of the bond there must also be submitted a certificate from the clerk of the court, under the court's seal and dated within six months of the presentation of the bond, showing that the judgment or decree is in full force and effect. A trustee in bankruptcy should submit proof of his authority in the form of a certificate from the referee showing that he is the duly elected and qualified trustee, together with a certificate from the clerk of the United States District Court of the particular district, under seal, showing the incumbency of the referee and authenticating his signature.

Sec. 315.23. *Redemption before maturity.*—Pursuant to its terms, a savings bond may not be called for redemption by the Secretary of the Treasury prior to maturity, but may be redeemed in whole or in part at the option of the owner, prior to maturity, under the terms and conditions set forth in the offering circular of each series and in accordance with the provisions of these regulations following presentation and surrender as provided in this Subpart.

(a) *Series A, B, C, D and E.*—A bond of Series A, B, C, D or E will be redeemed in whole or in part at any time after 60 days from the issue date without advance notice, at the appropriate redemption value as shown in the table printed on the bonds.

(b) *Series F and G.*—A bond of Series F or G will be redeemed in whole or in part, on or after six months from the issue date, at the appropriate redemption value as shown in the table printed on the bond, on one month's notice in writing to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois, or a Federal Reserve Bank. Such notice may be given separately or by presenting and surrendering the bond with a duly executed request for payment thereof. Payment will be made as of the first day of the first month following by at least one full calendar month the date of receipt of notice. For example, if the notice is received on June 1, payment will be made as of July 1, but if notice is received between June 2 and July 1, inclusive, payment will be made as of August 1. If notice is given separately, the bond must be

presented and surrendered with a duly executed request for payment to the same agency to which the notice is given not less than twenty days before the date on which payment is to be made. For example, if the notice is received on June 15, the bond should be received not later than July 12. (See Section 315.21 for provisions as to interest in case current income bonds are redeemed prior to maturity.)

(c) *Series G.—Redemption at par before maturity.*—A bond of Series G (but not of Series F) will be redeemed at par before maturity in whole or in part, in amounts corresponding with authorized denominations, not less than six months from the issue date, (1) upon the death of an owner or coowner, if a natural person, or (2) upon the termination of a trust or other fiduciary estate by reason of the death of any person, if held by the trustee or other fiduciary, except that if the trust or fiduciary estate is terminated only in part, redemption at par will be made to the extent of not more than the pro rata portion of the trust or fiduciary estate so terminated. Redemption will be made only following actual receipt of written notice of intention to redeem *at par*. Such notice must be given in time to be received in the ordinary course of mail by the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois, or a Federal Reserve Bank within six months after the date of death of the owner or coowner or person whose death results in the termination of the trust or other fiduciary estate, unless the period within which notice must be received is extended in accordance with the provisions of this subsection. Proof of the date of death must be furnished and the bond must be surrendered to the same agency to which notice of intention to redeem *at par* is given, but they need not accompany such notice. Ordinarily, payment will be made as of the first day of the first month following by at least one full calendar month the date of receipt of notice, but payment may be postponed, upon request of the person presenting the bond, to the second interest payment date following the date of death, except as follows: if the period within which notice must be received is extended beyond such interest payment date, in accordance with the provisions of this subsection, and notice received thereafter is accepted, payment may, upon request, be postponed to the next interest payment date following the date of receipt of notice. The period within which notice must be received may be extended in any particular case upon presentation of satisfactory proof that notice could not seasonably be given by reason of litigation or delay in the appointment of a legal representative of the estate or in the receipt of notice of death.

(d) *Withdrawal of request for redemption.*—An owner who has presented and surrendered a savings bond to the Treasury Department or a Federal Reserve Bank for payment with an appropriate request for payment may withdraw such request if notice of intent to withdraw is given to and received by the same agency to which the bond was presented, prior to the issuance of the check in payment. Under these same conditions an executor or administrator may withdraw a request for redemption executed by the owner and presented and surrendered to the Treasury Department or a Federal Reserve Bank prior to the owner's death, except where the presentation and surrender of the bond has cut off the rights of survivorship under the provisions of Subpart L or Subpart M. The terms "presented and surrendered" as used in this subsection mean the actual receipt of the bond by the Treasury Department or a Federal Reserve Bank during the lifetime of the owner.

Subpart N—DECEASED OWNERS

Sec. 315.47. *Payment or reissue on death of owner.*—Upon the death of the owner of a savings bond who was not survived by a coowner or designated beneficiary and who had not during his lifetime presented and surrendered the bond to a Federal Reserve Bank or the Treasury Department for an authorized reissue, the bond will be considered as belonging to his estate and will be paid or reissued accordingly, as hereinafter provided, except that reissue under the provisions of this Subpart will not be made to a creditor. In any case, reissue will be restricted to a form of registration permitted by the regulations in effect on the date of original issue of the bond, but the person entitled to the bond may hold it without change of registration and will have the right to payment before or at maturity. The provisions of this section shall also apply to savings bonds

registered in the names of executors or administrators, except that proof of their appointment and qualification may not be required. Established forms for use in such cases and for requests for payment or reissue may be obtained from any Federal Reserve Bank or from the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois, and should be used in every instance.

(a) *In course of administration.*—If the estate of the decedent is being administered in a court of competent jurisdiction, the bond will be paid to the duly qualified representative of the estate or will be reissued in the names of the persons entitled to share in the estate, upon request of the duly appointed and qualified representative of the estate and compliance with the following conditions:

(1) Where there are two or more legal representatives, all must unite in the request for payment or reissue, unless by express statute or decree of court, or by testamentary provision, some one or more of them may properly execute the request.

(2) The request for payment or reissue should be signed in the form, for example: "John A. Jones, administrator of the estate (or executor of the will) of Henry W. Jones, deceased," and must be supported by proof of the representative's authority in the form of a court certificate or a certified copy of the representative's letters of appointment issued by the court having jurisdiction. The certificate, or the certification to the letters, must be under seal of the court, and, except in the case of a corporate representative, must contain a statement that the appointment is in full force and should be dated within six months of the date of presentation of the bond, unless the certificate or letters show that the appointment was made within one year immediately prior to such presentation.

(3) In case of reissue the personal representative should certify that the persons named are entitled to share in the estate to the extent specified for each and have consented to such reissue. A request for reissue by an individual legal representative should be made on Form PD 1455 and a request by a corporate representative should be made on Form PD 1498. If a person in whose name reissue is requested desires to name a coowner or beneficiary, such person should execute an additional request for that purpose, using Form PD 1787.

(b) *After settlement through court proceedings.*—If the estate of the decedent has been settled in a court of competent jurisdiction, the bond will be paid to or reissued in the name of the person entitled thereto as determined by the court. The request for payment or reissue should be made by the person shown to be entitled and supported by duly certified copies of the representative's final account and the decree of distribution or other pertinent court records, supplemented, if there are two or more persons having an apparent interest in the bonds, by an agreement executed by them.

(c) *Without administration.*—If no legal representative of the decedent's estate has been or is to be appointed and the amount of savings bonds belonging to the estate does not exceed \$250 (maturity value), or if it is established to the satisfaction of the Secretary of the Treasury that the gross value of the personal estate of the decedent does not exceed \$500 or that administration of the estate is not required in the State of the decedent's last domicile, the bond will be paid to or reissued in the names of the persons entitled, pursuant to an agreement and request by all persons entitled to share in the estate, executed on the form prescribed by the Treasury Department and supported by the evidence called for by such form. Application for the appropriate form to be used hereunder may be made to any Federal Reserve Bank or to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois. The applicant should state whether or not the amount of bonds belonging to the decedent's estate is in excess of \$250 (maturity value). If any of the persons entitled are minors or incompetents payment or reissue of a bond will not be permitted without administration, except to them or in their names unless their interests are otherwise protected to the satisfaction of the Secretary of the Treasury.

Sec. 315.50. *Reissue or payment to person entitled.*—

(a) *Distribution of trust estate in kind.*—A savings bond to which a beneficiary of a trust estate

has become lawfully entitled in his own right or in a fiduciary capacity, in whole or in part, under the terms of the trust instrument, will be reissued in his name to the extent of his interest as a distribution in kind upon the request of the trustee or trustees and their certification that such person is entitled and has agreed to reissue in his name. If the form in which the bond is registered does not show that it belongs to a trust estate, the request for reissue must be supported by satisfactory proof of ownership.

(b) *After termination of trust estate.*—If the person who would be lawfully entitled to a savings bond upon the termination of a trust does not desire to have such distribution to him in kind, as provided in the next preceding subsection, the trustee or trustees should redeem the bond in accordance with the provisions of Section 315.48 before the estate is terminated. If, however, the estate is terminated without such payment or reissue having been made, the bond will thereafter be paid to or reissued in the name of the person lawfully entitled upon his request and satisfactory proof of ownership, supplemented, if there are two or more persons having any apparent interest in the bond, by an agreement executed by all such persons.

(c) *Upon termination of guardianship estate.*—A savings bond registered in the name of a guardian or similar legal representative of the estate of a minor or incompetent, if the estate is terminated during the ward's lifetime, will be reissued in the name of the former ward upon the representative's request and certification that the former ward is entitled and has agreed to reissue in his name, or will be paid to or reissued in the name of the former ward upon his own request, supported in either case by satisfactory proof that his disability has been removed. Certification by the representative that a former minor has attained his majority, or that the legal disability of a female ward has been removed by marriage, if the State law so provides, will ordinarily be accepted as sufficient, but if the disability is removed by court order a duly certified copy of the order will be necessary. Upon the death of the ward a bond registered in the name of his guardian or similar representative will be reissued in accordance with the provisions of Subpart N as though it were registered in the name of the ward alone.

A. L. M. WIGGINS,
Acting Secretary of the Treasury.