

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **3861**]
May 28, 1952]

UNITED STATES SAVINGS BOND, SERIES H

Treasury Department Circular No. 905

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

In our Circular No. 3845 dated April 29, 1952, we reprinted a statement of Secretary of the Treasury Snyder in which he announced some changes in United States Savings Bonds, and the offering of a new current income bond, designated Series H, commencing on June 1.

This entirely new bond, issued as a companion to the discount Series E bond, has the same 9-year, 8-month term as the E bond and provides an investment yield of approximately 3 per cent per annum, compounded semiannually, if held to maturity. Unlike the E bond, however, the H bond will be issued and redeemed at par, and interest will be paid every six months by check; it will be issued and redeemed only at Federal Reserve Banks or Branches, or at the Treasury. Because of the expense of paying interest checks semiannually on bonds of smaller denominations, the H bond will be issued in a minimum denomination of \$500.

Definitive Series H bonds will not be available for delivery for about 60 days. In the meantime, this Bank will issue nontransferable interim receipts to H bond purchasers and the definitive bonds will be sent to holders of receipts as soon as they are available. Application forms for the purchase of Series H bonds may be obtained from Series E bond issuing agents, from this Bank and its Buffalo Branch, and from the Treasury Department.

A copy of Treasury Department Circular No. 905, which governs Series H bonds, is enclosed.

Additional copies of this circular and of the Treasury's circular will be furnished upon request.

ALLAN SPROUL,
President.

UNITED STATES SAVINGS BONDS

SERIES H

1952
Department Circular No. 905

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, May 21, 1952.

CONTENTS

SEC. 332.1	OFFERING OF BONDS.
SEC. 332.2	DESCRIPTION.
SEC. 332.3	TERM.
SEC. 332.4	INTEREST.
SEC. 332.5	TAXATION.
SEC. 332.6	REGISTRATION.
SEC. 332.7	LIMITATION ON HOLDINGS.
SEC. 332.8	NONTRANSFERABILITY.
SEC. 332.9	PURCHASE OF BONDS.
SEC. 332.10	DELIVERY OF BONDS.
SEC. 332.11	INTERIM RECEIPTS.
SEC. 332.12	SAFEKEEPING.
SEC. 332.13	LOST, STOLEN, OR DESTROYED BONDS.
SEC. 332.14	PAYMENT OR REDEMPTION.
SEC. 332.15	GENERAL PROVISIONS.

Sec. 332.1. *Offering of bonds.*—The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended (31 U.S.C. 757c), offers for sale to the people of the United States, on and after June 1, 1952, United States Savings Bonds of Series H (hereinafter referred to as bonds of Series H). This offering of bonds will continue until terminated by the Secretary of the Treasury.

Sec. 332.2. *Description.*—Bonds of Series H will be issued only in registered form. See section 332.6 for information concerning registration. They will be issued at par in denominations of \$500, \$1,000, \$5,000, and \$10,000. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear an imprint of the Seal of the Treasury Department. At the time of issue, the issuing agent will inscribe on the face of each bond the name and address of the owner and the name of the coowner or beneficiary, if any; will enter the issue date of the bonds; and will imprint the agent's dating stamp (to show the date the bond is actually inscribed). A bond of Series H shall be valid only if an authorized issuing agent receives payment therefor, duly inscribes, dates, and stamps the bond, and delivers it to the purchaser or his agent.

Sec. 332.3. *Term.*—A bond of Series H will be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds. This date is the issue date and the bond will mature 9 years and 8 months from such issue date. The issue date should not be confused with the date appearing in the issuing agent's stamp, which indicates the date the bond is actually inscribed. The bonds may not be called for redemption by the Secretary of the Treasury prior to maturity, but any bond of Series H may be redeemed AT PAR prior to maturity, after 6 months from the issue date, at the owner's option.

Sec. 332.4. *Interest.*—Bonds of Series H will be issued at par, and will bear interest from the issue date payable semiannually by check drawn to the order of the registered owner or coowners, beginning six months from issue date, with the final interest payment for the period from 9 years and 6 months to the date of maturity. Interest payments will be based on a graduated scale of amounts (as shown in the table at the end of this circular) which have been fixed to afford an investment yield of approximately 3 percent per annum compounded semiannually, if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity, the yield will be less. Interest will cease at maturity, or in case of redemption before maturity, at the end of the interest period next preceding the date of redemption, except that, if the date of redemption falls on an interest payment date, interest will cease on that date.

Sec. 332.5. *Taxation.*—Interest on bonds of Series H is not exempt from income or profits taxes now or hereafter imposed under the Internal Revenue Code or laws amendatory or supplementary thereto. The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

Sec. 332.6. *Registration.*—(a) *Authorized forms.*—Bonds of Series H may be registered only in the names of natural persons (that is, individuals), whether adults or minors, in their own right, as follows: (1) in the name of one person; (2) in the names of two (but not more than two) persons as coowners; and (3) in the name of one person payable on death to one (but not more than one) other designated person. Full information regarding authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.

(b) *Restrictions.*—Only residents of the United States (which for the purposes of this section shall include the territories, insular possessions and the Canal Zone), citizens of the United States temporarily residing abroad, and nonresident aliens employed in the United States by the Federal Government or an agency thereof may be named as owners, coowners, or designated beneficiaries of bonds of Series H issued pursuant to this circular, or of authorized reissues thereof, except that such persons may name as coowners or beneficiaries of their bonds American citizens permanently residing abroad or nonresident aliens who are not citizens of enemy nations. American citizens permanently residing abroad and nonresident aliens who become entitled to bonds of Series H under the regulations governing United States Savings Bonds,¹ by right of survivorship or otherwise, will not be entitled to reissue but will have the right (1) to retain the bonds without change of registration, (2) to receive interest thereon, and (3) to receive payment thereof either at or before maturity.

Sec. 332.7. *Limitation on holdings.*—The amount of bonds of Series H originally issued during any one calendar year that may be held by any one person at any one time shall not exceed \$20,000 (maturity value), computed in accordance with the provisions of the regulations governing United States Savings Bonds.

Sec. 332.8. *Nontransferability.*—Bonds of Series H will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as otherwise specifically provided in the regulations governing savings bonds, and in any event only in accordance with said regulations. Accordingly, after they are duly issued they may not be sold, discounted, hypothecated as collateral for a loan or the performance of a service, or disposed of in any manner other than as provided in the regulations governing savings bonds, and, except as provided in said regulations, the Treasury Department will recognize only the inscribed owner, during his lifetime, and thereafter his estate or heirs.

Sec. 332.9. *Purchase of bonds.*—(a) *Agencies.*—Bonds of Series H may be purchased only at Federal Reserve Banks and Branches, and at the Treasury Department, Washington 25, D. C. Customers of commercial banks and trust companies may be able to arrange for the purchase of such bonds through such institutions, but only the Federal Reserve Banks and Branches and the Treasury Department are authorized to act as official agencies, and the date of receipt of application and payment at an official agency will govern the dating of the bonds issued.

(b) *Issue prices.*—The issue prices of bonds of Series H of the various denominations will be the par amount thereof as follows: \$500, \$1,000, \$5,000, and \$10,000.

(c) *Application.*—In applying for bonds under this circular, care should be taken to furnish: (1) instructions for registration of the bonds to be issued, which must be in one of the authorized forms (see Sec. 332.6 (a)); (2) the post office address of the owner; (3) the address for delivery of the bonds; and (4) the address for mailing interest checks. The application should be forwarded to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, Washington 25, D. C., accompanied by a remittance to cover the purchase price as shown in subsection (b) hereof. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks or other forms of exchange should be drawn to the order of the Federal Reserve Bank or the Treasurer of the United States, as the case may be. Checks payable by endorsement are not acceptable. Any depository qualified pursuant to the provisions of Treasury Department Circular No. 92 Revised (31 CFR Part 203) will be permitted to make payment by credit for bonds applied for on behalf of its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

(d) *Postal savings.*—Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of purchasing bonds of Series H.

Sec. 332.10. *Delivery of bonds.*—Authorized issuing agencies will deliver bonds of Series H either in person, or by mail at the risk and expense of the United States, at the address given by the purchaser, but only within the United States, its territories and insular possessions and the Canal Zone.² No mail deliveries

¹ See Department Circular No. 530, current revision.

² During any war emergency the Treasury may suspend deliveries to be made at its risk and expense from or to the continental United States and its territories, insular possessions and the Canal Zone, or between any of such places.

elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, the bonds will be delivered at an address in the United States, or held in safekeeping, as the purchaser may direct.

Sec. 332.11. *Interim receipts.*—Until such time as definitive bonds of Series H are ready for issue, purchasers of the bonds will receive interim receipts, which may be exchanged for definitive bonds when available. No interest will be payable, on interim receipts as such, but the bonds issued in exchange for interim receipts will have the same issue dates as the corresponding interim receipts, and interest will accrue on the bonds from such issue dates. In order to avoid delay in the receipt of the first interest payment on bonds of Series H, the interim receipts should be submitted to the issuing agency for exchange as soon as possible after the bonds become available.

Sec. 332.12. *Safekeeping.*—Bonds of Series H will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks,³ as fiscal agents of the United States, and those of the Treasurer of the United States, will be utilized. Arrangements may be made for such safekeeping at the time of purchase, or subsequently.

Sec. 332.13. *Lost, stolen, or destroyed bonds.*—If a bond of Series H is lost, stolen, or destroyed, a substitute may be issued or payment may be obtained upon identification of the bond and proof of its loss, theft, or destruction. The owner should keep a description of his bonds by series, denomination, serial number and name of coowner or beneficiary, if any, apart from the bonds, and in case of loss, theft, or destruction should immediately notify the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, briefly stating the facts and describing the bonds. Full instructions for obtaining substitute bonds or payment will then be given.

Sec. 332.14. *Payment or redemption.*—(a) *General.*—A bond of Series H will be redeemed AT PAR, in whole or in part (in the amount of an authorized denomination or multiple thereof), at the option of the owner, at any time after 6 months from the issue date, but only on the first day of a calendar month and upon one calendar month's notice in writing of desire to redeem by the owner. The request for payment of the bond must be executed and certified in accordance with the provisions of the applicable regulations. The presentation of the bond (with the request for payment duly executed) will be accepted as notice. Payment will be made following presentation of the bond to (1) a Federal Reserve Bank or Branch, (2) the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, or (3) the Treasury Department, Washington 25, D. C. Formal notice to be effective, must be received by one of the above agencies and the bond must be presented to the same agency not less than 20 days before the redemption date fixed by the notice.

(b) *Disability or death.*—In case of the disability of the registered owner, or the death of the registered owner not survived by a coowner or a designated beneficiary, instructions should be obtained from a Federal Reserve Bank or Branch, or the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago 5, Illinois, before the request for payment is executed.

Sec. 332.15. *General provisions.*—(a) *Regulations.*—All bonds of Series H issued pursuant to this circular shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States Savings Bonds. The present regulations are set forth in Treasury Department Circular No. 530, copies of which may be obtained on application to the Treasury Department or to any Federal Reserve Bank or Branch.

(b) *Reservation as to issue of bonds.*—The Secretary of the Treasury reserves the right to reject any application for bonds of Series H, in whole or in part, and to refuse to issue or permit to be issued hereunder any such bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

(c) *Fiscal agents.*—Federal Reserve Banks and Branches, as fiscal agents of the United States, are authorized to perform such services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of savings bonds of Series H and they may issue interim receipts pending delivery of the definitive bonds.

(d) *Reservation as to terms of circular.*—The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto.

JOHN W. SNYDER,
Secretary of the Treasury.

³ Safekeeping facilities may be offered at some branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the Branch.

UNITED STATES SAVINGS BONDS—SERIES H
TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS

Table showing: (1) Amount of interest checks paid on United States Savings Bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Face Value	Maturity Value ... Redemption Value Issue Price	\$500.00	\$1,000.00	\$5,000.00	\$10,000	Approximate Investment Yield on Face Value	
		500.00	1,000.00	5,000.00	10,000	(2) From issue date to each interest payment date	(3) From each interest payment date to maturity ²
Period of time bond is held after issue date		(1) Amount of interest check for each denomination				Percent	Percent
½ year		\$2.00	\$ 4.00	\$20.00	\$ 40	0.80	3.13
1 year		6.25	12.50	62.50	125	1.65	3.18
1½ years.....		6.25	12.50	62.50	125	1.93	3.22
2 years.....		6.25	12.50	62.50	125	2.07	3.27
2½ years.....		6.25	12.50	62.50	125	2.15	3.34
3 years.....		6.25	12.50	62.50	125	2.21	3.41
3½ years.....		6.25	12.50	62.50	125	2.25	3.49
4 years.....		6.25	12.50	62.50	125	2.28	3.58
4½ years.....		8.50	17.00	85.00	170	2.40	3.60
5 years.....		8.50	17.00	85.00	170	2.49	3.63
5½ years.....		8.50	17.00	85.00	170	2.57	3.66
6 years.....		8.50	17.00	85.00	170	2.63	3.69
6½ years.....		8.50	17.00	85.00	170	2.69	3.74
7 years.....		8.50	17.00	85.00	170	2.73	3.81
7½ years.....		8.50	17.00	85.00	170	2.77	3.91
8 years.....		8.50	17.00	85.00	170	2.81	4.07
8½ years.....		8.50	17.00	85.00	170	2.84	4.36
9 years.....		8.50	17.00	85.00	170	2.87	5.10
9½ years.....		8.50	17.00	85.00	170	2.89	10.37
9 years and 8 months (MATURITY)		8.50	17.00	85.00	170	3.00	...

¹ At all times, except that bond is not redeemable during first 6 months.

² Approximate investment yield for entire period from issuance to maturity is 3.00% per annum.