

FEDERAL RESERVE BANK  
OF NEW YORK

Fiscal Agent of the United States

[ Circular No. 3880 ]  
July 22, 1952

REGULATIONS GOVERNING PAYMENT OF UNITED STATES SAVINGS BONDS

*To All Qualified Paying Agents of Savings Bonds  
in the Second Federal Reserve District:*

We transmit herewith copies of:

1. Second Amendment to Treasury Department Circular No. 750, Revised, entitled "Regulations Governing Payments by Banks and Other Financing Institutions in connection with the Redemption of United States Savings Bonds"; and

2. First Amendment to the Memorandum of Instructions and Explanation issued in conjunction with Treasury Department Circular No. 750, Revised.

These amendments conform the above documents to the changes made in United States Savings Bonds, beginning May 1, 1952.

Additional copies of the enclosures will be furnished upon request.

ALLAN SPROUL,  
*President.*

REGULATIONS GOVERNING PAYMENTS BY BANKS AND OTHER FINANCIAL INSTITUTIONS  
IN CONNECTION WITH THE REDEMPTION OF UNITED STATES SAVINGS BONDS

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1952  
Second Amendment  
Department Circular No. 750  
Revised  
—  
Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
*Washington, July 7, 1952.*

Sections 321.4 (b), 321.9 (a) and 321.12 (first sentence) of Department Circular No. 750, Revised, dated June 30, 1945, as amended (31 C.F.R. 321), are hereby amended to read as follows:

Sec. 321.4.—(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, G, H, J AND K ARE NOT INCLUDED.)

Sec. 321.9.—(a) If the bond is presented for payment less than two months from the issue date (the issue date should not be confused with the date appearing in the issuing agent’s dating stamp). Any payment or advance to a bond owner before a bond is eligible for redemption is not authorized in any circumstance.

Sec. 321.12.—The redemption value of a bond is determined according to the period of time that it has been outstanding, and the table of redemption values applicable to each bond.

JOHN W. SNYDER,  
*Secretary of the Treasury.*

MEMORANDUM OF INSTRUCTIONS AND EXPLANATION ISSUED IN CONJUNCTION WITH  
DEPARTMENT CIRCULAR NO. 750, REVISED, PRESCRIBING REGULATIONS GOVERNING  
PAYMENTS BY BANKS AND OTHER FINANCIAL INSTITUTIONS IN CONNECTION  
WITH THE REDEMPTION OF UNITED STATES SAVINGS BONDS

Fiscal Service  
Bureau of the Public Debt

First Amendment to  
Revised Memorandum  
dated June 30, 1945

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, July 7, 1952.

This amendment is for the sole purpose of incorporating into the Memorandum those changes in instructions that are made necessary by reason of the Second Amendment to Department Circular No. 750, Revised. The changes are:

Paragraph No. 8 shall be changed to read:

8. *General Authority.*—Sec. 321.8 provides in general that a qualified paying agent 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 agent 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 agent. Supplemental explanations, instructions and exceptions regarding these general statements are set forth hereinafter. UNDER NO CIRCUMSTANCES, HOWEVER, IS AN AGENT AUTHORIZED TO PAY ANY BOND OF SERIES F, G, H, J OR K, OR BONDS OF ANY SERIES IF INSCRIBED IN THE NAMES OF CORPORATIONS, ASSOCIATIONS, PARTNERSHIPS OR FIDUCIARIES. PAYMENT MAY NOT BE MADE BY AN AGENT TO A PERSON NAMED ON A BOND AS THE BENEFICIARY EVEN THOUGH THE OWNER IS DECEASED.

Paragraph No. 11 shall be changed to read:

11. *Time limitation on payments of bonds before maturity.*—Sec. 321.9(a) provides that no bond may be paid if presented for payment less than two months from the issue date. Meanwhile, no advance payment may be made to the owner, and, of course, because of the terms of the bonds, loans are precluded. The issue date is the first day of the month in which payment of the issue price is received by an authorized issuing agent, and it should not be confused with the actual date of imprinting the bond as shown in the issuing agent's validating stamp impression on the bond. The issue date appears in the lower center section of bonds of Series A and B, in the lower right section of bonds of Series C, and in the upper right section of bonds of Series D and E.

Paragraph No. 24 shall be changed to read:

24. *Determination of redemption values.*—As stated in Sec. 321.12, the redemption value of a bond is determined according to the period of time the bond is outstanding and the table of redemption values applicable to the bond. However, for the convenience of paying agents 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 be readily determined. The Federal Reserve Banks will advise agents 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.

(OVER)

Paragraph No. 25 shall be changed to read:

25. Bonds bearing an issue date of *April 1, 1952, or prior*, 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 until maturity. Bonds bearing an issue date of *May 1, 1952, and subsequent thereto*, increase in redemption value at the end of the first six months from issue date and each successive half year thereafter until 9 years and 6 months from the issue date have elapsed, and at the end of the next 2 months, which will be the maturity date of these bonds. During the 10 years following their maturity date, Series E bonds will increase in value (at rates established in applicable Department Circulars) at the end of each successive half-year period that they are held. The values payable on such bonds will be set forth in the special redemption table referred to in the preceding paragraph. In the event a bond is presented to an agent for payment just prior to a change in value of the bond, the owner should be reminded of this fact by the agent, if practicable, so that the owner may take advantage of the pending increase in value, if he so desires. In those cases, of course, payment will be postponed to the appropriate time.

**E. F. BARTELT,**  
*Fiscal Assistant Secretary of the Treasury.*