

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 4174 ]  
December 27, 1954 ]

**SERIES E AND H SAVINGS BONDS**

**Eligible for Purchase by Personal Trust Estates**

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

We quote below from the text of a statement made public today:

The Treasury Department today announced changes in the regulations governing Series E and H United States Savings bonds to permit their purchase by "personal trust estates." The change is effective January 1, 1955.

Formerly, sales of Series E and H Savings bonds have been limited to individuals either as owners, co-owners or beneficiaries. "Personal trust estates" are generally trusts created by individuals for the benefit of themselves or other individuals, and the amended regulations extend to such trusts the same privilege of purchasing Series E and H bonds as was given previously only to individual savers. The annual purchase limit of \$20,000 (maturity value) of each series which applies to individual owners will also apply to a single trust estate, regardless of the number of beneficiaries.

The Treasury emphasized that the change in the regulations does not include under its terms pension, annuity, profit sharing and other similar trusts. Series J and K Savings bonds are of course available for all these types of purchasers, with a limit of \$200,000 and interest at about 2¾ per cent if held to maturity. Exact definitions as to eligibility are contained in the amendment to the offering circular on the bonds.

Only the Treasury Department and the Federal Reserve Banks and Branches will issue Series E and H bonds to the trustees. Other issuing agents will not issue such bonds to "personal trust estates." However, banking institutions generally may accept applications for transmittal to Federal Reserve Banks for the purchase of the bonds by such trusts.

The changes in the regulations permitting the purchase of Series E and H Savings bonds by personal trust estates are set forth in the Fourth Amendment to Treasury Department Circular No. 530, Seventh Revision; Second Amendment to Treasury Department Circular No. 653, Third Revision, and in the First Amendment to Treasury Department Circular No. 905. Copies of the amendments, dated November 18, 1954, are enclosed.

Application forms now in use in this District for Series E Savings bonds (Form SAV. B. 193) and for Series H bonds (Form SAV. B. 196) may also be used by trustees of personal trust estates. However, the trustees will be required to submit with these forms a certification (1) that the trust estate was established by a natural person(s) in his own right, and (2) that a natural person in his own right is the income beneficiary (or one of the income beneficiaries) during the existence of the trust. Certification by one trustee will be acceptable even though two or more are administering the trust, except that, whenever one of the trustees is a corporation, the corporate trustee shall be required to make the certification.

Bonds of Series E and H purchased for personal trust estates may be paid for in the same way as other E and H bonds, including payment by credit to Tax and Loan Accounts. A depository bank acting as trustee for a personal trust estate will be considered as a customer of the bank for this purpose within the meaning of Section 316.10(b) of Treasury Department Circular No. 653, Third Revision, and Section 332.9(c) of Treasury Department Circular No. 905.

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

ALLAN SPROUL,  
*President.*

# REGULATIONS GOVERNING UNITED STATES SAVINGS BONDS

1954  
Fourth Amendment to  
Department Circular No. 530  
Seventh Revision, dated  
May 21, 1952

Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, November 18, 1954

## To Owners of United States Savings Bonds, and Others Concerned:

Section 315.4(a) and Section 315.45(b)(2) of Department Circular No. 530, Seventh Revision, dated May 21, 1952 (31 CFR, 1952 Supp., 315), as amended, are hereby amended, effective January 1, 1955, to read as follows:

SEC. 315.4(a) *Forms of registration.*—Except as provided in subparagraphs (4), (5) and (6) hereof, bonds of Series E and H may be registered only in the names of individuals (natural persons), whether adults or minors, in their own right in one of the following forms:

(1) ONE PERSON: In the name of one person, for example:

“John A. Jones.”

(2) TWO PERSONS—COOWNERSHIP FORM: In the names of two (but not more than two) persons in the alternative as coowners, for example:

“John A. Jones OR Mrs. Ella S. Jones.”

No other form of registration establishing coownership is authorized.

(3) TWO PERSONS—BENEFICIARY FORM: In the name of one (but not more than one) person, payable on death to one (but not more than one) other person, for example:

“John A. Jones, payable on death to Miss Mary E. Jones.”

“Payable on death to” may be abbreviated “p.o.d.” The first person named is hereinafter referred to as the owner or registered owner, and the second person named as the beneficiary or designated beneficiary.

(4) TREASURER OF THE UNITED STATES AS COOWNER OR BENEFICIARY: In the

name of the owner with the Treasurer of the United States as coowner or as beneficiary. A bond so registered may not be reissued to eliminate or change the coowner or the beneficiary, and upon the death of the owner will become the property of the United States.

(5) TRUSTEES OF AN EMPLOYEES' SAVINGS PLAN (SERIES E ONLY): In the name and title of the trustee or trustees of an employees' savings plan or any similar trust for the accumulation of employees' savings (see Sec. 316.6a of Department Circular No. 653, Third Revision, as amended), substantially in accordance with the provisions of Sec. 315.5(b).

(6) TRUSTEES OF A PERSONAL TRUST ESTATE: In the name and title of the trustee or trustees of a personal trust estate in a form substantially in accordance with the provisions of Sec. 315.5(b)(1), insofar as applicable. The term “personal trust estate” as used herein is defined to mean, and is limited to, trust estates established by individuals, that is, natural persons in their own right, for the benefit of themselves or other such individuals, and common trusts comprised in whole or in part of such trust estates.

SEC. 315.45(b) *Reissue during the lives of both coowners.*— \* \* \*

(2) If the bond is of a series which may be originally issued in the name of a trustee, it may be reissued in the name of a trustee of a living trust created by both coowners for the benefit of both, in whole or in part, during their lifetime whether or not containing an absolute power of revocation in the grantors. Requests for reissue under this provision should be made on Form PD 1851 and will not be approved unless both coowners are of full age and legally competent.

A. N. OVERBY,  
*Acting Secretary of the Treasury.*

# UNITED STATES SAVINGS BONDS

## SERIES E

1954  
Second Amendment to  
Department Circular No. 653  
Third Revision, dated  
April 29, 1952

Fiscal Service  
Bureau of the Public Debt

Sections 316.2, 316.6, 316.9 and 316.10(a) of Department Circular No. 653, Third Revision (31 CFR, 1952 Supp., 316), as amended, are hereby amended, effective January 1, 1955, to read as follows:

**SEC. 316.2. Description.**—Bonds of Series E will be issued only in registered form. See section 316.6 for information concerning registration. They will be issued in denominations of \$25, \$50, \$100, \$200, \$500, \$1,000, \$10,000 and \$100,000, which is designed primarily for trustees of employees' savings plans under section 316.6a, but may also be used in connection with authorized reissue transactions. 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 bond; and will imprint the agent's dating stamp (to show the date the bond is actually inscribed). A bond of Series E 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. 316.6. Registration.**—(a) *Authorized forms.*—Bonds of Series E 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, except that the Treasurer of the United States may be designated as coowner or beneficiary, and except further that such bonds may be registered in the name and title of the trustee or trustees of an employees' savings

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, November 18, 1954.

plan as provided in Section 316.6a and in the name and title of the trustee or trustees of a personal trust estate. The term "personal trust estate" as used herein is defined to mean, and is limited to, trust estates established by individuals, that is, natural persons in their own right, for the benefit of themselves or other such individuals, and common trusts comprised in whole or in part of such trust estates. Full information regarding authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.

**SEC. 316.9. Issue prices of bonds.**—The issue prices of the various denominations of bonds of Series E follows:

<i>Denomination</i> (maturity value)	<i>Issue Price</i>
\$ 25.00	\$ 18.75
50.00	37.50
100.00	75.00
200.00	150.00
500.00	375.00
1,000.00	750.00
10,000.00	7,500.00
100,000.00 <sup>1</sup>	75,000.00

<sup>1</sup>For limited use of \$100,000 denomination see Sec. 316.2.

**SEC. 316.10. Purchase of bonds.**—\*\*\*

(a) *Over-the-counter for cash:* (1) For individuals (natural persons) only (i) at such incorporated banks, trust companies and other agencies as have been duly qualified as issuing agents, and (ii) at selected United States post offices; and (2) for individuals (natural persons) or trustees of employees' savings plans (see Section 316.6a) and trustees of personal trust estates (see Section 316.6 (a)) at Federal Reserve Banks and Branches and at the Treasury Department, Washington 25, D. C.

A. N. OVERBY,  
*Acting Secretary of the Treasury.*

# UNITED STATES SAVINGS BONDS

## SERIES H

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1954  
Department Circular No. 905  
First Amendment

Fiscal Service  
Bureau of the Public Debt

Section 332.6(a) of Department Circular No. 905, dated May 21, 1952 (31 CFR, 1952 Supp., 332), is hereby amended, effective January 1, 1955, to read as follows:

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, except that the Treasurer

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of the United States may be designated as coowner or beneficiary, and except further that such bonds may be registered in the name and title of the trustee or trustees of a personal trust estate. The term "personal trust estate" as used herein is defined to mean, and is limited to, trust estates established by individuals, that is, natural persons in their own right, for the benefit of themselves or other such individuals, and common trusts comprised in whole or in part of such trust estates. Full information regarding authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.

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*Acting Secretary of the Treasury.*