

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4450]
April 23, 1957]

UNITED STATES SAVINGS BONDS

Higher Yields On Series E and H Bonds Issued On or After February 1, 1957

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

Following is a quotation from a statement issued by the Treasury Department on Saturday, April 20, regarding the higher interest rates on Series E and H Savings bonds purchased on or after February 1, 1957:

Series E and H bonds purchased currently will now yield $3\frac{1}{4}$ percent per annum, compounded semi-annually, when held to maturity. The former rate was 3 percent. The increase is effective for all Series E and H bonds purchased on or after February 1, 1957.

Another improvement in the new bonds is higher interest paid to holders who find they have to cash their bonds prior to maturity. Both redemption values for the new E bonds and interest payments on the new H bonds are substantially increased for the earlier years.

For example, the redemption value of a new E bond is increased so as to yield 3 percent at the end of 3 years, compared with $2\frac{1}{4}$ percent heretofore, and to yield 3.20 percent at the end of 6 years, compared with 2.64 percent heretofore.

The improved rates apply automatically to all E and H bonds purchased on or after February 1, 1957; persons who have bought these bonds since that date need not take any further action to assure getting the improved terms. This is true even though the E and H bonds purchased since February 1 may have imprinted on them the former (and now obsolete) tables of redemption values or interest payment scales. The issue date shown on each bond will be controlling in determining the actual redemption value or scale of interest payments, and banks and other paying agents have been furnished tables of the new values.

The new E bonds mature in 8 years and 11 months and the new H bonds in 10 years. Both issues formerly matured in 9 years and 8 months.

The Treasury pointed out that in most cases it will not be advantageous for the holders of E and H bonds issued prior to February 1, 1957, to redeem their old bonds and buy new ones. Any bond that is $2\frac{1}{2}$ years old or older and has not reached first maturity will earn more than $3\frac{1}{4}$ percent on its current redemption value as it grows to maturity. In the case of bonds bought prior to last February 1 and held less than $2\frac{1}{2}$ years, only a small gain could be realized by redeeming them to buy new bonds—typically not more than a few cents per year in increased interest.

Series E bonds which have reached first maturity since May 1952 and are retained under the optional extension privilege are already yielding a full 3 percent, compounded semi-annually, with the privilege of redemption at any time. If they were redeemed and new E bonds purchased, the new bonds would have to be held 3 years before they would earn as much as 3 percent.

With the change in interest return the previous calendar year limit of \$20,000 (face amount) on purchases of each series by individuals has been lowered to \$10,000. The Treasury is withdrawing the present investment-type Series J and K bonds from sale, effective April 30, 1957. Both of these decisions underline the Treasury's desire to emphasize the Savings bond as a security designed for millions of average individual American savers.

The terms of the new higher-yield Series E and H Savings bonds are set forth in the Treasury Department's Circular No. 653, Fourth Revision, and Circular No. 905, Revised, copies of which are enclosed. Additional copies of the Treasury's circulars and of this circular will be furnished upon request.

ALFRED HAYES,
President.

UNITED STATES SAVINGS BONDS

SERIES H

1957
Department Circular No. 905
Revised
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, April 22, 1957.

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Department Circular No. 905, dated May 21, 1952, as amended (31 CFR 332), is hereby revised to read as follows:

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, United States Savings Bonds of Series H (hereinafter referred to as bonds of Series H). These bonds will be substantially a continuation of the bonds of Series H heretofore available, except as otherwise indicated herein. 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 332.8 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 bond; 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 10 years 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, but only upon one calendar month's notice as provided in section 332.14.

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. Interest payments will be based on a graduated scale of amounts (as shown in Table A at the end of this circular) which have been fixed to afford an investment yield of approximately 3.25 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. *Applicability to bonds bearing issue dates of February 1 through April 1, 1957, as well as subsequent issue dates.*—The term of maturity and the yield provided for in sections 332.3 and 332.4 shall apply to all bonds of Series H bearing issue dates of February 1 through April 1, 1957 (as well as to those bearing subsequent issue dates). Final interest on such bonds will not be payable until held 10 years from the issue date, instead of at the end of 9 years and 8 months.¹

Sec. 332.6. *Bonds purchased before new stock is available.*—Until bonds have been printed and are ready for issue bonds of Series H in the form on sale prior to February 1, 1957, will be issued for purchases made under this circular. BONDS OF SERIES H PURCHASED IN THE INTERVAL UNTIL THE NEW STOCKS ARE AVAILABLE WILL CARRY THE NEW INTEREST RATE AND THE TERM OF MATURITY PROVIDED FOR IN SECTION 332.3 AND ALL OTHER PRIVILEGES AS FULLY AS IF EXPRESSLY SET FORTH IN THE TEXT OF THE BONDS THEMSELVES. The owners, if they desire to do so, may exchange such bonds at any Federal Reserve Bank or Branch or at the Treasury Department, Washington 25, D. C., for bonds in the new form (with the same registration and issue dates), when the latter become available; but they need not do so because the Treasury Department will, as a matter of course, issue interest checks for ALL bonds of Series H bearing issue dates on and after February 1, 1957, in the appropriate amounts as set forth in Table A at the end of this circular.

Sec. 332.7. *Taxation.*—The income derived from bonds of Series H is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance,

¹ Table B at the end of this circular shows the schedule of checks, the interim investment yields and the yield to maturity of bonds of Series H bearing issue dates beginning June 1, 1952 (when they were first offered for sale), through January 1, 1957.

gift, or other excise taxes, whether Federal or State, but are 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. 332.8. *Registration.*—Generally, only residents of the United States, its territories and possessions, the Commonwealth of Puerto Rico, the Canal Zone and citizens of the United States temporarily residing abroad are eligible to invest in bonds of Series H. The bonds may be registered in the names of natural persons in their own right in the three conventional forms of registration, single ownership, coownership and beneficiary forms, heretofore available. The bonds may also be registered in the names and titles of the legal representatives of natural persons (guardians, custodians, conservators, etc.) and of trustees of personal trust estates. The term “personal trust estates” 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 eligibility to invest in savings bonds and authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.²

Sec. 332.9. *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 \$10,000 (maturity value) for the calendar year 1957,³ and each calendar year thereafter, which will be computed in accordance with the regulations currently in force governing United States Savings Bonds.

Sec. 332.10. *Nontransferability.*—Bonds of Series H may not be used as collateral for a loan or as security for the performance of an obligation, or transferred inter vivos by voluntary sale or gift, discounted or disposed of in any manner other than as provided in the regulations governing United States Savings Bonds. 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. 332.11. *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

² Department Circular No. 530.

³ Effective May 1. Accordingly, investors who purchase \$20,000 (maturity value) of bonds of Series H-1957 bearing issue dates of January 1 through April 1 will not be entitled to purchase additional bonds of that series during 1957. Investors who have purchased less than \$10,000 (maturity value) of bonds of Series H prior to May 1 will be entitled only to purchase enough to bring their total for 1957 to \$10,000 (maturity value).

authorized forms (see Sec. 332.8); (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 paragraph (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 depositary qualified pursuant to the provisions of Treasury Department Circular No. 92 Revised (31 CFR 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.

Sec. 332.12. *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 possessions and the Canal Zone.⁴ No mail deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, the bonds will be delivered at such address in the United States as the purchaser directs.

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 Branch, 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 when due 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 Branch, 536 South Clark Street, Chicago 5, Illinois, or (3) the Treasurer of the United States, Washington 25, D. C. Formal notice to be effective, must be timely 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

⁴ 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 and possessions and the Canal Zone, or between any of such places.

be obtained from a Federal Reserve Bank or Branch, or the Bureau of the Public Debt, Division of Loans and Currency Branch, 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, current revision, 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) *Previous circulars—Preservation of existing rights.*—The provisions of previous Treasury Department circulars not in conformity herewith are hereby modified and amended accordingly: *Provided*, however, that nothing contained in this circular shall limit or be construed to limit or restrict any existing rights which owners of bonds of Series H have acquired under the circular previously in force.

(d) *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, redemption, and payment of savings bonds of Series H.

(e) *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.

G. M. HUMPHREY,
Secretary of the Treasury.

TABLE A
UNITED STATES SAVINGS BONDS—SERIES H
TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS
FOR BONDS BEARING ISSUE DATES BEGINNING FEBRUARY 1, 1957

Table showing: (1) Amount of interest checks paid on United States Savings Bonds of Series H bearing issue dates beginning February 1, 1957, 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 ¹ (Issue Price)	\$500.00	\$1,000.00	\$5,000.00	\$10,000.00	Approximate Investment Yield on Face Value	
	500.00	1,000.00	5,000.00	10,000.00	(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					
					<i>Percent</i>	<i>Percent</i>
½ year	\$4.00	\$ 8.00	\$40.00	\$ 80.00	1.60	3.35
1 year	7.25	14.50	72.50	145.00	2.25	3.38
1½ years	8.45	16.90	84.50	169.00	2.62	3.38
2 years	8.45	16.90	84.50	169.00	2.80	3.38
2½ years	8.45	16.90	84.50	169.00	2.92	3.38
3 years	8.45	16.90	84.50	169.00	2.99	3.38
3½ years	8.45	16.90	84.50	169.00	3.04	3.38
4 years	8.45	16.90	84.50	169.00	3.08	3.38
4½ years	8.45	16.90	84.50	169.00	3.11	3.38
5 years	8.45	16.90	84.50	169.00	3.14	3.38
5½ years	8.45	16.90	84.50	169.00	3.16	3.38
6 years	8.45	16.90	84.50	169.00	3.18	3.38
6½ years	8.45	16.90	84.50	169.00	3.19	3.38
7 years	8.45	16.90	84.50	169.00	3.20	3.38
7½ years	8.45	16.90	84.50	169.00	3.21	3.38
8 years	8.45	16.90	84.50	169.00	3.22	3.38
8½ years	8.45	16.90	84.50	169.00	3.23	3.38
9 years	8.45	16.90	84.50	169.00	3.24	3.38
9½ years	8.45	16.90	84.50	169.00	3.24	3.38
10 years (maturity)	8.45	16.90	84.50	169.00	3.25	...

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 3.25 percent per annum.

TABLE B
UNITED STATES SAVINGS BONDS—SERIES H
TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS
FOR BONDS BEARING ISSUE DATES FROM JUNE 1, 1952 THROUGH JANUARY 1, 1957

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 ¹ 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		
Period of time bond is held after issue date	(1) Amount of interest check for each denomination					(2) From issue date to each interest payment date	(3) From each interest payment date to maturity ²
						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 percent per annum.

UNITED STATES SAVINGS BONDS

SERIES E

1957
Department Circular No. 653
Fourth Revision
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, April 22, 1957.

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316.18	GENERAL PROVISIONS.

Department Circular No. 653, Third Revision, dated April 29, 1952, as amended (31 CFR 316), is hereby revised to read as follows:

Sec. 316.1. *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, United States Savings Bonds of Series E which hereinafter are generally referred to as bonds of Series E. These bonds will be substantially a continuation of the bonds of Series E heretofore available, except as otherwise indicated herein. This offering of bonds will continue until terminated by the Secretary of the Treasury.

Sec. 316.2. *Term.*—A bond of Series E 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 and be payable at face value 8 years and 11 months from such issue date. The issue date is the basis for determining the redemption periods or the maturity date of the bond, and should not be confused with the date appearing in

the issuing agent's stamp, which indicates the actual date the bond is inscribed. The bonds may not be called for redemption by the Secretary of the Treasury prior to maturity, but any bond may be redeemed prior to maturity, at any time after two months from the issue date, at the owner's option, at fixed redemption values.

Sec. 316.3. *Interest.*—Bonds of Series E will be issued on a discount basis at 75 percent of their maturity value. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of each half-year period from the issue date, as shown in Table A at the end of this circular. The investment yield will be approximately 3.25 percent per annum compounded semiannually, if the bonds are held to maturity, but the yield will be less if the owner exercises his option to redeem a bond prior to maturity.

Sec. 316.4. *Applicability to bonds bearing issue dates of February 1 through April 1, 1957, as well as subsequent issue dates.*—The term of maturity and the yield provided for in sections 316.2 and 316.3 shall apply to all bonds of Series E bearing issue dates of February 1 through April 1, 1957, as well as to those bearing subsequent issue dates.

Sec. 316.5. *Bonds purchased before new stock is available.*—Until bonds have been printed and supplied to issuing agents bonds of Series E in the form on sale prior to February 1, 1957, will be issued for purchases made under this circular. BONDS OF SERIES E PURCHASED IN THE INTERVAL UNTIL THE NEW STOCKS ARE AVAILABLE WILL CARRY THE NEW INTEREST RATE AND REDEMPTION VALUES AND ALL OTHER PRIVILEGES AS FULLY AS IF EXPRESSLY SET FORTH IN THE TEXT OF THE BONDS THEMSELVES. The owners, if they desire to do so, may exchange such bonds at any Federal Reserve Bank or Branch or at the Treasury Department, Washington 25, D. C., for bonds in the new form (with the same registration and issue dates), when the latter become available; but they need not do so because all paying agents will redeem ALL bonds of Series E bearing issue dates on and after February 1, 1957, in accordance with the schedule of redemption values set forth in Table A at the end of this circular.

Sec. 316.6. *Description.*—Bonds of Series E will be issued only in registered form. See section 316.7 for information concerning registration. They will be issued in denominations of \$25, \$50, \$100, \$200, \$500, \$1,000 and \$10,000; and \$100,000 which is provided for trustees of employees' savings plans. 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. 316.7. *Registration.*—(a) *General.*—Generally, only residents of the United States, its territories and possessions, the Commonwealth of Puerto Rico, the Canal Zone and citizens of the United States temporarily residing abroad are eligible to invest in bonds of Series E. The bonds may be registered in the names of natural persons in their own right in the three con-

ventional forms of registration, single ownership, coownership and beneficiary forms, heretofore available. The bonds may also be registered in the names and titles of the legal representatives of natural persons (guardians, custodians, conservators, etc.) and of the trustees of the limited classes of trusts described in paragraphs (b) and (c). Full information regarding eligibility to invest in savings bonds and authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States Savings Bonds.¹

(b) *Trustees of personal trust estates.*—Bonds of Series E 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.

(c) *Trustees of employees’ savings plans.*

1. *Definition of plan and conditions of eligibility.*—Bonds of Series E may be registered 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 established by the employer for the exclusive and irrevocable benefit of his employees or their beneficiaries which affords employees the means of making regular savings from their wages through payroll deductions, provides for employer contributions to be added to such savings, and provides in effect that:

(i) The entire assets thereof must be credited to the individual accounts of participating employees and assets credited to the account of an employee may be distributed only to him or his beneficiary, except as otherwise provided herein.

(ii) Bonds of Series E may be purchased only with assets credited to the accounts of participating employees and only if the amount taken from any account at any time for that purpose is equal to the purchase price of a bond or bonds in an authorized denomination or denominations, and shares therein are credited to the accounts of the individuals from which the purchase price thereof was derived, in amounts corresponding with their shares. For example, if \$37.50 credited to the account of John Jones is commingled with funds credited to the accounts of other employees to make a total of \$7,500, with which a bond of Series E in the denomination of \$10,000 (maturity value) is purchased in June 1957 and registered in the name and title of the trustee or trustees, the plan must provide, in effect, that John Jones’ account shall be credited to show that he is the owner of a bond of Series E in the denomination of \$50 (maturity value) bearing issue date of June 1, 1957.

(iii) Each participating employee shall have an irrevocable right at any time to demand and receive from the trustee or trustees all assets credited to his account or the value thereof, if he so prefers, without regard to any condition other than the loss or suspension of the privilege of participating further in the plan, except that a plan will not be deemed to be inconsistent herewith, if it limits or modifies the exercise of any such right by providing that the employer’s contribution does not vest absolutely until the employee shall have made contributions under the plan in each of not more than sixty calendar months succeeding the month for which the employer’s contribution is made.

(iv) Upon the death of an employee, his beneficiary shall have the absolute and unconditional right to demand and receive from the trustee or trustees all the assets credited to the account of the employee, or the value thereof, if he so prefers.

(v) When settlement is made with an employee or his beneficiary with respect to any bond of Series E registered in the name and title of the trustee or trustees in which the employee has a share (see (ii) hereof), the bond must be submitted for redemption or reissue to the extent of such share; if

¹ Department Circular No. 530.

an employee, or his beneficiary, is to receive distribution in kind, bonds bearing the same issue dates as those credited to the employee's account will be reissued in the name of the distributee to the extent to which he is entitled, in authorized denominations, in any authorized form of registration, upon the request and certification of the trustee or trustees in accordance with the provisions of the regulations governing United States Savings Bonds.

2. *Definitions of terms used in this section and related provisions.*

(i) The term "savings plan" includes any regulations issued under the plan with regard to bonds of Series E; a copy of the plan and any such regulations, together with a copy of the trust agreement certified by a trustee to be true copies, must be submitted to the Federal Reserve Bank of the District in order to establish the eligibility of the trustee or trustees to purchase such bonds under this section.

(ii) The term "assets" means all funds, including the employees' contributions and the employer's contributions and assets purchased therewith as well as accretions thereto, such as dividends on stock, the increment in value on bonds and all other income; but, notwithstanding any other provision of this section, the right to demand and receive "all assets" credited to the account of an employee shall not be construed to require the distribution of assets in kind when it would not be possible or practicable to make such distribution; for example, bonds of Series E may not be reissued in unauthorized denominations, and fractional shares of stock are not readily distributable in kind.

(iii) The term "beneficiary" means the person or persons, if any, designated by the employee in accordance with the terms of the plan to receive the benefits of the trust upon his death or the estate of the employee, and the term "distributee" means the employee or his beneficiary.

Sec. 316.8. *Limitation on holdings.*—The limits on the amount of bonds of Series E originally issued during any one calendar year that may be held by any one person at any one time (which will be computed in accordance with the regulations currently in force governing United States Savings Bonds) are:

(a) *General limitation.*—\$10,000 (maturity value) for the calendar year 1957² and each calendar year thereafter.

(b) *Special limitation applicable to the employees' savings plans described in section 316.7(c).*—\$2,000 (maturity value) multiplied by the highest number of participants in an employees' savings plan at any time during the year in which the bonds are issued.

Sec. 316.9. *Nontransferability.*—Bonds of Series E may not be used as collateral for a loan or as security for the performance of an obligation, or transferred inter vivos by voluntary sale or gift, discounted or disposed of in any manner other than as provided in the regulations governing United States Savings Bonds. 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. 316.10. *Issue prices of bonds.*—The issue prices of the various denominations of bonds of Series E follow:

Denomination (maturity value)	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000.00	\$100,000 ³
Issue (purchase) price	\$18.75	\$37.50	\$75.00	\$150.00	\$375.00	\$750.00	\$7,500.00	\$75,000

² Effective May 1. Accordingly, investors who purchase \$20,000 (maturity value) of bonds of Series E-1957 bearing issue dates of January 1 through April 1 will not be entitled to purchase additional bonds of that series during 1957. Investors who have purchased less than \$10,000 (maturity value) of bonds of Series E prior to May 1 will be entitled only to purchase enough to bring their total for 1957 to \$10,000 (maturity value).

³ The \$100,000 denomination is available for purchase only by trustees of employees' savings plans described in section 316.7(c).

Sec. 316.11. *Purchase of bonds.*—Bonds of Series E may be purchased, while this offer is in effect, as follows:

(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 and trustees of personal trust estates at Federal Reserve Banks and Branches and at the Treasury Department, Washington 25, D. C.

(b) *On mail order.*—By mail upon application to the Treasurer of the United States, Washington 25, D. C., or to any Federal Reserve Bank or Branch, accompanied by a remittance to cover the issue price. 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 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 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.

(c) *Savings stamps.*—Savings stamps, in authorized denominations may be purchased at any post office where bonds of Series E are on sale and at such other agencies as may be designated from time to time. These stamps may be used to accumulate credits for the purchase of bonds of Series E. Albums, for affixing the stamps, will be available without charge, and such albums will be receivable, in the amount of the affixed stamps, on the purchase price of the bonds.

Sec. 316.12. *Delivery of bonds.*—Issuing agents are authorized to deliver bonds of Series E 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 possessions and the Canal Zone.⁴ No mail deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, the bonds will be delivered at such address in the United States as the purchaser directs.

Sec. 316.13. *Retention of bonds of Series E at further interest after maturity.*—(a) *Series E bonds bearing issue dates of May 1, 1941, through January 1, 1957.*—Owners of bonds of Series E bearing the issue dates specified in paragraphs (1)–(3) have the option of retaining their matured bonds for a 10-year period after maturity (hereinafter referred to as the “extension period”) and of earning interest upon the maturity values thereof as follows:

(1) *Series E bonds bearing issue dates of May 1, 1941, through April 1, 1942.*—Such bonds earn interest after maturity for each half-year period at the rate of $2\frac{1}{2}$ percent per annum simple interest, if redeemed before the first $7\frac{1}{2}$ years of the extension period, and at a higher rate thereafter so that the aggregate return for the extension period will be approximately 2.90 percent per annum compounded semiannually, in accordance with the schedule of redemption values in Table D at the end of this circular.

(2) *Series E bonds bearing issue dates of May 1, 1942, through April 1, 1952.*—Such bonds will earn interest after maturity at the rate of approximately 3 percent per annum compounded semi-

⁴ During any war emergency the Treasury may suspend deliveries to be made at its risk and expense from or to the continental United States, its territories and possessions and the Canal Zone, or between any of such places.

annually for each half-year period of the extension period and are redeemable in accordance with the schedule of redemption values in Table C at the end of this circular.

(3) *Series E bonds bearing issue dates of May 1, 1952, through January 1, 1957.*—Such bonds will earn interest after maturity at the rate of approximately 3 percent per annum compounded semi-annually for each half-year period of the extension period and will be redeemable in accordance with the schedule of redemption values in Table B at the end of this circular.

Interest under the above provisions accrues at the end of the first half-year period following maturity and at the end of each successive half-year period thereafter. If the bonds are redeemed before the end of the first half-year period following maturity, the owner is entitled to payment only at the face value thereof.

The option provided in this section is as binding on the United States as if expressly set forth in the text of the bonds. No action is required of owners desiring to take advantage thereof. Merely by continuing to hold their bonds after maturity they will earn further interest in accordance with the schedule of redemption values set forth in the pertinent tables referred to above. The term “owners” as used in this section includes registered owners, coowners, surviving beneficiaries, next of kin and legatees of deceased owners, and persons who have acquired bonds pursuant to judicial proceedings against the owners, except that judgment creditors, trustees in bankruptcy and receivers of insolvents’ estates will have the right only to payment in accordance with the regulations governing United States Savings Bonds.

(b) *Series E bonds bearing issue dates after January 1, 1957.*—The terms of a retention privilege, if any, for owners of bonds of Series E bearing issue dates after January 1, 1957, will not be determined until later.⁵

Sec. 316.14. *Taxation.*—(a) *General.*—For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid for bonds of Series E (which are issued on a discount basis), and the redemption value received therefor shall be considered as interest. Such interest is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are 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.

(b) *Federal income tax as applied to matured bonds of Series E.*—A taxpayer who has been reporting the increase in redemption value of his Series E bonds, for Federal income tax purposes, each year as it accrues, must continue to do so if he retains the bonds under section 316.13, unless in accordance with income tax regulations the taxpayer obtains permission from the Commissioner of Internal Revenue to change to a different method of reporting income from such obligations. A taxpayer who has not been reporting the increase in redemption value of such bonds currently for tax purposes may in any year prior to final maturity, and subject to the provisions of section 454 of the Internal Revenue Code of 1954 and of the regulations prescribed thereunder, elect for such year and subsequent years to report such income

⁵ However, under the previous revision (Third Revision, dated April 29, 1952) of this circular owners of Series E bonds bearing issue dates of February 1 through April 1, 1957, have the same option as owners of the bonds described in section 316.13(a) (3) and the redemption values set forth in Table B under the heading “Extended maturity period” apply to such bonds. Since their original maturity is shortened to 8 years and 11 months under section 316.4 of this revision, they will reach extended maturity in 18 years and 11 months after issue date.

annually. Holders of bonds of Series E who have not reported the increase in redemption value currently are required to include such amount in gross income for the taxable year of actual redemption or for the taxable year of final maturity, whichever is earlier. If further information concerning Federal taxes is desired, inquiry should be addressed to the District Director of Internal Revenue of the taxpayer's district or to the Internal Revenue Service, Washington 25, D. C.

Sec. 316.15. *Lost, stolen, or destroyed bonds.*—If a bond of Series E 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 Branch, 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. 316.16. *Payment or redemption (in general).*—A bond of Series E may be redeemed at the option of the owner at any time after two months from the issue date at the appropriate redemption value as shown in Tables A, B, C and D at the end of this circular, which apply to bonds bearing various issue dates back to May 1, 1941. The redemption values of bonds in the denomination of \$100,000³ (which was authorized as of January 1, 1954) are not shown in those tables. However, the redemption values of bonds in that denomination will be equal to the total redemption values of ten \$10,000 bonds bearing the same issue dates; accordingly, depending upon the issue date of bonds in the denomination of \$100,000, refer to Table A or Table B. A bond of Series E in a denomination higher than \$25 (maturity value) may be redeemed in part but only in the amount of an authorized denomination or multiple thereof. Payment of a bond of Series E will be made upon presentation and surrender of the bond by the owner to authorized paying agencies as follows:

(a) *Federal Reserve Banks and Branches and Treasurer of the United States.*—Owners of bonds of Series E may obtain payment upon presentation of the bonds to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington 25, D. C., with the requests for payment on the bonds duly executed and certified in accordance with the provisions of the regulations governing savings bonds.

(b) *Incorporated banks, trust companies and other financial institutions.*—An individual (natural person) whose name is inscribed on the face of a bond of Series E either as owner or coowner in his own right may also present such bond (unless marked "DUPLICATE") to any incorporated bank or trust company or other financial institution which is qualified as a paying agent under the provisions of Department Circular No. 750 or any revision of or amendment thereto (31 CFR 321). If such bond is in order for payment by the paying agent, the owner or coowner, upon establishing his identity to the satisfaction of the paying agent and upon signing the request for payment and adding his home or business address, may receive immediate payment of the current redemption value.

Sec. 316.17. *Payment or redemption in the case of 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 Branch, 536 South Clark Street, Chicago 5, Illinois, before the request for payment is executed.

Sec. 316.18. *General provisions.*—(a) *Regulations.*—All bonds of Series E 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. Such regulations may require, among other things, reasonable notice in case of presentation of bonds of Series E for redemption prior to maturity. The present regulations are set forth in Treasury Department Circular No. 530, current revision, 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 E, 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) *Previous circulars—Preservation of existing rights.*—The provisions of previous Treasury Department circulars not in conformity herewith are hereby modified and amended accordingly: *Provided*, however, that nothing contained in this circular shall limit or be construed to limit or restrict any existing rights which owners of bonds of Series E have acquired under the circulars previously in force.

(d) *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, redemption, and payment of bonds of Series E.

(e) *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.

G. M. HUMPHREY,
Secretary of the Treasury.

TABLE A
UNITED STATES SAVINGS BONDS—SERIES E
TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS
FOR BONDS BEARING ISSUE DATES BEGINNING FEBRUARY 1, 1957*

Table showing: (1) How bonds of Series E bearing issue dates beginning February 1, 1957, by denominations, increase in redemption value during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000.00	Approximate Investment Yield	
Issue Price	18.75	37.50	75.00	150.00	375.00	750.00	7,500.00	(2) On purchase price from issue date to beginning of each half-year period ¹	(3) On current redemption value from beginning of each half-year period ¹ to maturity
Period after issue date	(1) Redemption values during each half-year period ¹ (Values increase on first day of period shown)							Percent	Percent
First ½ year.....	\$18.75	\$37.50	\$75.00	\$150.00	\$375.00	\$750.00	\$7,500.00	...	3.25**
½ to 1 year.....	18.90	37.80	75.60	151.20	378.00	756.00	7,560.00	1.60	3.35
1 to 1½ years.....	19.18	38.36	76.72	153.44	383.60	767.20	7,672.00	2.28	3.38
1½ to 2 years.....	19.48	38.96	77.92	155.84	389.60	779.20	7,792.00	2.56	3.39
2 to 2½ years.....	19.81	39.62	79.24	158.48	396.20	792.40	7,924.00	2.77	3.39
2½ to 3 years.....	20.15	40.30	80.60	161.20	403.00	806.00	8,060.00	2.90	3.39
3 to 3½ years.....	20.50	41.00	82.00	164.00	410.00	820.00	8,200.00	3.00	3.38
3½ to 4 years.....	20.85	41.70	83.40	166.80	417.00	834.00	8,340.00	3.06	3.38
4 to 4½ years.....	21.21	42.42	84.84	169.68	424.20	848.40	8,484.00	3.11	3.37
4½ to 5 years.....	21.57	43.14	86.28	172.56	431.40	862.80	8,628.00	3.14	3.37
5 to 5½ years.....	21.94	43.88	87.76	175.52	438.80	877.60	8,776.00	3.17	3.36
5½ to 6 years.....	22.31	44.62	89.24	178.48	446.20	892.40	8,924.00	3.19	3.36
6 to 6½ years.....	22.68	45.36	90.72	181.44	453.60	907.20	9,072.00	3.20	3.37
6½ to 7 years.....	23.06	46.12	92.24	184.48	461.20	922.40	9,224.00	3.21	3.37
7 to 7½ years.....	23.44	46.88	93.76	187.52	468.80	937.60	9,376.00	3.21	3.39
7½ to 8 years.....	23.83	47.66	95.32	190.64	476.60	953.20	9,532.00	3.22	3.41
8 to 8½ years.....	24.22	48.44	96.88	193.76	484.40	968.80	9,688.00	3.23	3.49
8½ years to 8 years & 11 months.....	24.61	49.22	98.44	196.88	492.20	984.40	9,844.00	3.23	3.81
Maturity Value (8 years & 11 months from issue date)	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000.00	3.25

* See footnote 5 to Sec. 316.13 with reference to retention privileges after maturity attaching to bonds bearing issue dates of February 1 through April 1, 1957.

** Approximate investment yield for entire period from issuance to maturity.

¹ 5-month period in the case of the 8½ year to 8 year and 11 month period.

TABLE B
UNITED STATES SAVINGS BONDS—SERIES E
TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS
FOR BONDS BEARING ISSUE DATES FROM MAY 1, 1952 THROUGH JANUARY 1, 1957

Table showing: (1) How bonds of Series E bearing issue dates beginning May 1, 1952, by denominations, increase in redemption value during successive half-year periods following issue or date of original maturity; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period (a) to maturity or (b) to extended maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value Issue Price.....	\$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 7,500	Approximate Investment Yield*	
Period after issue date	(1) Redemption values during each half-year period ¹ (Values increase on first day of period shown)							(2) On purchase price from issue date to beginning of each half-year period ²	(3) On current redemption value from beginning of each half-year period ³ (a) to maturity
								Percent	Percent
First ½ year.....	\$18.75	\$37.50	\$75.00	\$150.00	\$375.00	\$750.00	\$7,500	0.00	3.00**
½ to 1 year.....	18.85	37.70	75.40	150.80	377.00	754.00	7,540	1.07	3.10
1 to 1½ years.....	19.05	38.10	76.20	152.40	381.00	762.00	7,620	1.59	3.16
1½ to 2 years.....	19.30	38.60	77.20	154.40	386.00	772.00	7,720	1.94	3.19
2 to 2½ years.....	19.55	39.10	78.20	156.40	391.00	782.00	7,820	2.10	3.23
2½ to 3 years.....	19.80	39.60	79.20	158.40	396.00	792.00	7,920	2.19	3.28
3 to 3½ years.....	20.05	40.10	80.20	160.40	401.00	802.00	8,020	2.25	3.34
3½ to 4 years.....	20.30	40.60	81.20	162.40	406.00	812.00	8,120	2.28	3.41
4 to 4½ years.....	20.55	41.10	82.20	164.40	411.00	822.00	8,220	2.30	3.49
4½ to 5 years.....	20.90	41.80	83.60	167.20	418.00	836.00	8,360	2.43	3.50
5 to 5½ years.....	21.25	42.50	85.00	170.00	425.00	850.00	8,500	2.52	3.51
5½ to 6 years.....	21.60	43.20	86.40	172.80	432.00	864.00	8,640	2.59	3.54
6 to 6½ years.....	21.95	43.90	87.80	175.60	439.00	878.00	8,780	2.64	3.58
6½ to 7 years.....	22.30	44.60	89.20	178.40	446.00	892.00	8,920	2.69	3.64
7 to 7½ years.....	22.65	45.30	90.60	181.20	453.00	906.00	9,060	2.72	3.74
7½ to 8 years.....	23.00	46.00	92.00	184.00	460.00	920.00	9,200	2.74	3.89
8 to 8½ years.....	23.40	46.80	93.60	187.20	468.00	936.00	9,360	2.79	4.01
8½ to 9 years.....	23.80	47.60	95.20	190.40	476.00	952.00	9,520	2.83	4.26
9 to 9½ years.....	24.20	48.40	96.80	193.60	484.00	968.00	9,680	2.86	4.94
9½ years to 9 years & 8 months.....	24.60	49.20	98.40	196.80	492.00	984.00	9,840	2.88	9.92
Maturity Value (9 years & 8 months from issue date)	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000	3.00
Period after maturity date	EXTENDED MATURITY PERIOD							(b) to extended maturity	
First ½ year.....	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	\$10,000	3.00	3.00
½ to 1 year.....	25.37	50.75	101.50	203.00	507.50	1,015.00	10,150	3.00	3.00
1 to 1½ years.....	25.75	51.50	103.00	206.00	515.00	1,030.00	10,300	3.00	3.00
1½ to 2 years.....	26.12	52.25	104.50	209.00	522.50	1,045.00	10,450	2.99	3.01
2 to 2½ years.....	26.50	53.00	106.00	212.00	530.00	1,060.00	10,600	2.99	3.02
2½ to 3 years.....	26.90	53.80	107.60	215.20	538.00	1,076.00	10,760	2.99	3.02
3 to 3½ years.....	27.30	54.60	109.20	218.40	546.00	1,092.00	10,920	2.99	3.02
3½ to 4 years.....	27.70	55.40	110.80	221.60	554.00	1,108.00	11,080	2.99	3.03
4 to 4½ years.....	28.10	56.20	112.40	224.80	562.00	1,124.00	11,240	2.98	3.04
4½ to 5 years.....	28.50	57.00	114.00	228.00	570.00	1,140.00	11,400	2.98	3.05
5 to 5½ years.....	28.95	57.90	115.80	231.60	579.00	1,158.00	11,580	2.98	3.04
5½ to 6 years.....	29.40	58.80	117.60	235.20	588.00	1,176.00	11,760	2.99	3.04
6 to 6½ years.....	29.85	59.70	119.40	238.80	597.00	1,194.00	11,940	2.99	3.03
6½ to 7 years.....	30.30	60.60	121.20	242.40	606.00	1,212.00	12,120	2.99	3.04
7 to 7½ years.....	30.75	61.50	123.00	246.00	615.00	1,230.00	12,300	2.99	3.05
7½ to 8 years.....	31.20	62.40	124.80	249.60	624.00	1,248.00	12,480	2.99	3.07
8 to 8½ years.....	31.65	63.30	126.60	253.20	633.00	1,266.00	12,660	2.99	3.12
8½ to 9 years.....	32.15	64.30	128.60	257.20	643.00	1,286.00	12,860	2.99	3.10
9 to 9½ years.....	32.65	65.30	130.60	261.20	653.00	1,306.00	13,060	2.99	3.10
9½ to 10 years.....	33.15	66.30	132.60	265.20	663.00	1,326.00	13,260	3.00	3.14
Extended Maturity Value (10 years from original maturity date) ²	\$33.67	\$67.34	\$134.68	\$269.36	\$673.40	\$1,346.80	\$13,468	3.00

* Calculated on basis of \$1,000 bond (face value).

** Approximate investment yield for entire period from issuance to maturity.

¹ 2-month period in the case of the 9½ year to 9 year and 8 month period.

² 19 years and 8 months after issue date.

TABLE C
UNITED STATES SAVINGS BONDS—SERIES E
TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS
FOR BONDS BEARING ISSUE DATES FROM MAY 1, 1942 THROUGH APRIL 1, 1952

Table showing: (1) How bonds of Series E bearing issue dates from May 1, 1942 through April 1, 1952, by denominations, increase in redemption value during successive half-year periods following issue or date of original maturity; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period (a) to maturity or (b) to extended maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value Issue Price.....	\$10.00 7.50	\$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	Approximate Investment Yield*	
Period after issue date	(1) Redemption values during each half-year period (Values increase on first day of period shown)							(2) On purchase price from issue date to beginning of each half-year period	(3) On current redemption value from beginning of each half-year period (a) to maturity
								Percent	Percent
First ½ year.....	\$7.50	\$18.75	\$37.50	\$75.00	\$150.00	\$375.00	\$750.00	0.00	2.90**
½ to 1 year.....	7.50	18.75	37.50	75.00	150.00	375.00	750.00	.00	3.05
1 to 1½ years.....	7.55	18.87	37.75	75.50	151.00	377.50	755.00	.67	3.15
1½ to 2 years.....	7.60	19.00	38.00	76.00	152.00	380.00	760.00	.88	3.25
2 to 2½ years.....	7.65	19.12	38.25	76.50	153.00	382.50	765.00	.99	3.38
2½ to 3 years.....	7.70	19.25	38.50	77.00	154.00	385.00	770.00	1.06	3.52
3 to 3½ years.....	7.80	19.50	39.00	78.00	156.00	390.00	780.00	1.31	3.58
3½ to 4 years.....	7.90	19.75	39.50	79.00	158.00	395.00	790.00	1.49	3.66
4 to 4½ years.....	8.00	20.00	40.00	80.00	160.00	400.00	800.00	1.62	3.75
4½ to 5 years.....	8.10	20.25	40.50	81.00	162.00	405.00	810.00	1.72	3.87
5 to 5½ years.....	8.20	20.50	41.00	82.00	164.00	410.00	820.00	1.79	4.01
5½ to 6 years.....	8.30	20.75	41.50	83.00	166.00	415.00	830.00	1.85	4.18
6 to 6½ years.....	8.40	21.00	42.00	84.00	168.00	420.00	840.00	1.90	4.41
6½ to 7 years.....	8.60	21.50	43.00	86.00	172.00	430.00	860.00	2.12	4.36
7 to 7½ years.....	8.80	22.00	44.00	88.00	176.00	440.00	880.00	2.30	4.31
7½ to 8 years.....	9.00	22.50	45.00	90.00	180.00	450.00	900.00	2.45	4.26
8 to 8½ years.....	9.20	23.00	46.00	92.00	184.00	460.00	920.00	2.57	4.21
8½ to 9 years.....	9.40	23.50	47.00	94.00	188.00	470.00	940.00	2.67	4.17
9 to 9½ years.....	9.60	24.00	48.00	96.00	192.00	480.00	960.00	2.76	4.12
9½ to 10 years.....	9.80	24.50	49.00	98.00	196.00	490.00	980.00	2.84	4.08
Maturity Value (10 years from issue date).....	\$10.00	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	2.90
Period after maturity date	EXTENDED MATURITY PERIOD							(b) to extended maturity	
First ½ year.....	\$10.00	\$25.00	\$50.00	\$100.00	\$200.00	\$500.00	\$1,000.00	2.90	3.00
½ to 1 year.....	10.15	25.37	50.75	101.50	203.00	507.50	1,015.00	2.90	3.00
1 to 1½ years.....	10.30	25.75	51.50	103.00	206.00	515.00	1,030.00	2.90	3.00
1½ to 2 years.....	10.45	26.12	52.25	104.50	209.00	522.50	1,045.00	2.91	3.01
2 to 2½ years.....	10.60	26.50	53.00	106.00	212.00	530.00	1,060.00	2.90	3.02
2½ to 3 years.....	10.76	26.90	53.80	107.60	215.20	538.00	1,076.00	2.91	3.02
3 to 3½ years.....	10.92	27.30	54.60	109.20	218.40	546.00	1,092.00	2.91	3.02
3½ to 4 years.....	11.08	27.70	55.40	110.80	221.60	554.00	1,108.00	2.91	3.03
4 to 4½ years.....	11.24	28.10	56.20	112.40	224.80	562.00	1,124.00	2.91	3.04
4½ to 5 years.....	11.40	28.50	57.00	114.00	228.00	570.00	1,140.00	2.91	3.05
5 to 5½ years.....	11.58	28.95	57.90	115.80	231.60	579.00	1,158.00	2.92	3.04
5½ to 6 years.....	11.76	29.40	58.80	117.60	235.20	588.00	1,176.00	2.92	3.04
6 to 6½ years.....	11.94	29.85	59.70	119.40	238.80	597.00	1,194.00	2.93	3.03
6½ to 7 years.....	12.12	30.30	60.60	121.20	242.40	606.00	1,212.00	2.93	3.04
7 to 7½ years.....	12.30	30.75	61.50	123.00	246.00	615.00	1,230.00	2.93	3.05
7½ to 8 years.....	12.48	31.20	62.40	124.80	249.60	624.00	1,248.00	2.93	3.07
8 to 8½ years.....	12.66	31.65	63.30	126.60	253.20	633.00	1,266.00	2.93	3.12
8½ to 9 years.....	12.86	32.15	64.30	128.60	257.20	643.00	1,286.00	2.94	3.10
9 to 9½ years.....	13.06	32.65	65.30	130.60	261.20	653.00	1,306.00	2.94	3.10
9½ to 10 years.....	13.26	33.15	66.30	132.60	265.20	663.00	1,326.00	2.94	3.14
Extended Maturity Value (10 years from original maturity date) ¹	\$13.47	\$33.67	\$67.34	\$134.68	\$269.36	\$673.40	\$1,346.80	2.95

* Calculated on basis of \$1,000 bond (face value).

** Approximate investment yield for entire period from issuance to original maturity.

¹ 20 years from issue date.

TABLE D
UNITED STATES SAVINGS BONDS—SERIES E
TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS
FOR BONDS BEARING ISSUE DATES FROM MAY 1, 1941 THROUGH APRIL 1, 1942

Table showing: (1) How bonds of Series E bearing issue dates from May 1, 1941 through April 1, 1942, by denominations, increase in redemption value during successive half-year periods following issue or date of original maturity; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period (a) to maturity or (b) to extended maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity Value.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	Approximate Investment Yield*	
Issue Price.....	18.75	37.50	75.00	375.00	750.00		
Period after issue date	(1) Redemption values during each half-year period (Values increase on first day of period shown)					(2) On purchase price from issue date to beginning of each half-year period	(3) On current redemption value from beginning of each half-year period (a) to maturity
						Percent	Percent**
First ½ year.....	\$18.75	\$37.50	\$75.00	\$375.00	\$750.00	0.00	2.90**
½ to 1 year.....	18.75	37.50	75.00	375.00	750.00	.00	3.05
1 to 1½ years.....	18.87	37.75	75.50	377.50	755.00	.67	3.15
1½ to 2 years.....	19.00	38.00	76.00	380.00	760.00	.88	3.25
2 to 2½ years.....	19.12	38.25	76.50	382.50	765.00	.99	3.38
2½ to 3 years.....	19.25	38.50	77.00	385.00	770.00	1.06	3.52
3 to 3½ years.....	19.50	39.00	78.00	390.00	780.00	1.31	3.58
3½ to 4 years.....	19.75	39.50	79.00	395.00	790.00	1.49	3.66
4 to 4½ years.....	20.00	40.00	80.00	400.00	800.00	1.62	3.75
4½ to 5 years.....	20.25	40.50	81.00	405.00	810.00	1.72	3.87
5 to 5½ years.....	20.50	41.00	82.00	410.00	820.00	1.79	4.01
5½ to 6 years.....	20.75	41.50	83.00	415.00	830.00	1.85	4.18
6 to 6½ years.....	21.00	42.00	84.00	420.00	840.00	1.90	4.41
6½ to 7 years.....	21.50	43.00	86.00	430.00	860.00	2.12	4.36
7 to 7½ years.....	22.00	44.00	88.00	440.00	880.00	2.30	4.31
7½ to 8 years.....	22.50	45.00	90.00	450.00	900.00	2.45	4.26
8 to 8½ years.....	23.00	46.00	92.00	460.00	920.00	2.57	4.21
8½ to 9 years.....	23.50	47.00	94.00	470.00	940.00	2.67	4.17
9 to 9½ years.....	24.00	48.00	96.00	480.00	960.00	2.76	4.12
9½ to 10 years.....	24.50	49.00	98.00	490.00	980.00	2.84	4.08
Maturity Value (10 years from issue date)	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	2.90
Period after maturity date	EXTENDED MATURITY PERIOD					(b) to extended maturity	
First ½ year.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	2.90	2.90
½ to 1 year.....	25.31	50.62	101.25	506.25	1,012.50	2.88	2.92
1 to 1½ years.....	25.62	51.25	102.50	512.50	1,025.00	2.86	2.94
1½ to 2 years.....	25.94	51.87	103.75	518.75	1,037.50	2.84	2.97
2 to 2½ years.....	26.25	52.50	105.00	525.00	1,050.00	2.82	3.01
2½ to 3 years.....	26.56	53.12	106.25	531.25	1,062.50	2.81	3.05
3 to 3½ years.....	26.87	53.75	107.50	537.50	1,075.00	2.79	3.10
3½ to 4 years.....	27.19	54.37	108.75	543.75	1,087.50	2.77	3.16
4 to 4½ years.....	27.50	55.00	110.00	550.00	1,100.00	2.75	3.23
4½ to 5 years.....	27.81	55.62	111.25	556.25	1,112.50	2.74	3.32
5 to 5½ years.....	28.12	56.25	112.50	562.50	1,125.00	2.72	3.43
5½ to 6 years.....	28.44	56.87	113.75	568.75	1,137.50	2.71	3.56
6 to 6½ years.....	28.75	57.50	115.00	575.00	1,150.00	2.69	3.73
6½ to 7 years.....	29.06	58.12	116.25	581.25	1,162.50	2.67	3.96
7 to 7½ years.....	29.37	58.75	117.50	587.50	1,175.00	2.66	4.26
7½ to 8 years.....	30.00	60.00	120.00	600.00	1,200.00	2.70	4.26
8 to 8½ years.....	30.67	61.33	122.67	613.33	1,226.67	2.75	4.21
8½ to 9 years.....	31.33	62.67	125.33	626.67	1,253.33	2.79	4.17
9 to 9½ years.....	32.00	64.00	128.00	640.00	1,280.00	2.83	4.12
9½ to 10 years.....	32.67	65.33	130.67	653.33	1,306.67	2.87	4.08
Extended Maturity Value (10 years from original maturity date) ¹	\$33.33	\$66.67	\$133.33	\$666.67	\$1,333.33	2.90

* Calculated on basis of \$1,000 bond (face value).

** Approximate investment yield for entire period from issuance to maturity.

¹ 20 years from issue date.

TIPS FOR TELLERS AND BOND OFFICERS ABOUT THE NEW SAVINGS BONDS

- The Treasury Department welcomes the assistance of everyone dealing with United States Savings Bonds to help make the public aware of—

The improved features of the new Bonds, and the continuing good features of the old Bonds.

The information in this folder will help answer most of the questions that Savings Bond holders or prospective purchasers may be asking.



April 22, 1957

SERIES E

All E Bonds bearing issue dates of February 1957 or after:

Earn $3\frac{1}{4}\%$ when held to maturity as against the former 3% (rates are compounded semi-annually).

Mature 9 months earlier—in 8 years and 11 months as against the former 9 years and 8 months. The higher interest rate means a shorter maturity.

Pay a substantially higher return in the early years of holding.

$2\frac{1}{4}\%$ when held 1 year as against about $1\frac{1}{2}\%$ on the old bond.

3% when held 3 years as against $2\frac{1}{4}\%$ on the old bond.

Denominations are the same as before—\$25, \$50, \$100, \$200, \$500, \$1,000, \$10,000.

Still sell at former prices—\$18.75 for a \$25 bond; \$37.50 for a \$50 bond; \$75 for a \$100 bond, etc.

New terms apply regardless of what is printed on the bond if the issue date is February 1957 or after.

As newly printed bonds become available they will carry the new terms, but new terms apply regardless on bonds back to February 1957.

Accurate payment will be assured by the **table of redemption values** furnished all paying agents, on which current redemption values are automatically keyed to the issue date on each bond sold. However, those who have purchased bonds since January 31, 1957, but before the newly printed bonds are available, may exchange their old bonds for the new if desired.

Terms of automatic extension beyond maturity will be determined as the new bonds approach maturity.

(As was the case with the first 10 years of the E bond program, the decision to extend and the terms of the extension were not announced until the first bonds approached maturity early in 1951.)

Continuing to hold old bonds rather than cashing them in to buy new ones.

Point out that in most cases it is **not advantageous** to redeem an old bond to buy a new one.

Any bond that is **2½ years old or older** and has not reached first maturity **already will earn more than 3¼%** on its redemption value as it grows to maturity.

For example: (1) A \$100 bond bought in October 1954 is worth \$79.20 in April 1957; the \$4.20 earned to that point represents interest at the rate of 2.19% on the \$75 purchase. From that point until the bond matures at \$100 in June 1964, however, it will earn \$20.80 more, which is equal to interest at the rate of 3.28% on \$79.20. That's better, of course, than the holder could get by turning the old bond in and buying a new one at 3.25%. The advantage is even greater for bonds already held 3, 4, or 5 or more years.

Even for a buyer who has held a bond **less than 2½ years**, the increased income he would get by turning it in to buy a new bond is small.

For example: (2) For a man who bought a \$100 bond in October 1956, and exchanged in April 1957, the gain would be only \$1.26 or 13 cents a year over the life of the new bond.

For a man who bought a \$100 bond in October 1955, the gain would be only 47 cents, or 5 cents a year.

Even for a man who bought a \$100 bond in January 1957—the month before the new terms went into effect—the gain would be only \$1.46, or 16 cents a year.

Those having bonds **more than 10 years old** and now in the extension period also should think twice before redeeming them to buy new bonds.

The holder of a bond maturing after April 1952 is currently getting 3% interest for each six months of additional holding. If he should shift into the new bonds and have to redeem them within 3 years he would have earned less on the new bonds than on his present ones.

A bond which matured May 1951 through April 1952 already will earn more than $3\frac{3}{8}\%$ on its redemption value to extended maturity.

Even for the **long pull**, the dollar amount to be gained by redeeming bonds now in the extension period and reinvesting in the new ones is small.

For example: (3) Before taking income taxes into account, a man with three \$25 bonds that have just reached first maturity would find that his \$75 would grow to \$97.95 in another 9 years, or only \$2.05 (about 23 cents a year) short of the \$100 he would get in 8 years and 11 months by turning in his three old bonds and buying a new bond for \$75.

In addition, there is the **income tax consideration**. Most people pay income tax on the total interest earned on E bonds as of the year in which the bonds are redeemed. Continuing to hold the old bonds means that the tax can be deferred until money is actually needed so that interest is earned on the accruing tax liability. In many cases paying the tax earlier will largely offset any gain from the higher rate of interest on the new bond.

There is also a tax advantage in continuing to hold old bonds for people who expect to be in a lower tax bracket when they redeem their bonds for retirement income.

OTHER SERIES

Series H Bonds—the bonds which pay interest by check every six months—have also been improved, effective February 1, 1957.

The new H bonds pay $3\frac{1}{4}\%$ when held to their full 10 year maturity.

The term has been lengthened from 9 years and 8 months to 10 years. The denominations are the same as before—\$500, \$1,000, \$5,000, \$10,000.

Also like the E bond, the investment return on the H bond in the early years of holding is substantially higher than was paid on the former bond.

Holders of H bonds will also find it advantageous to continue holding rather than redeeming to buy the new bonds. Any bond that is 2 years old or older already will pay more than $3\frac{1}{4}\%$ if held to maturity.

Series J and K Bonds—primarily purchased by larger investors—are withdrawn from sale as of April 30, 1957.

LIMIT ON HOLDINGS

Because of the more attractive features of the new Series E and H Bonds, the previous calendar limit on purchases by individuals has been lowered, effective May 1, 1957, from \$20,000 to \$10,000, face amount, for each series. Therefore, investors who have purchased less than \$10,000 of each series prior to May 1 will be entitled to purchase only enough to bring their 1957 total for each to \$10,000 face amount.

GENERAL CONSIDERATIONS

In conversations with bond holders or prospective buyers, bear in mind that Savings Bonds are sound investments for many other reasons besides their attractive interest return.

Their most outstanding features are:

- **Indestructibility**—the Treasury will replace any bonds that are lost, stolen, mutilated, or destroyed.
- **Guaranteed rate of return over a period of years.**
- **Guaranteed redemption values—not subject to the risks of market fluctuations.**
- **Can be cashed anywhere in the country.**
- **Backed by the full faith and credit of the United States.**