

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 6659]
December 21, 1970]

Revised Treasury Department Circulars on Offering
of Series E and H Savings Bonds

To Issuing and Paying Agents for United States Savings Bonds
in the Second Federal Reserve District:

Enclosed are copies of the following documents:

Federal Register, Part II, dated November 14, 1970, which contains the text of Treasury Department Circular No. 653, Eighth Revision, Amendment One, "Offering of United States Savings Bonds, Series E," effective June 1, 1970.

Federal Register, Part II, dated November 13, 1970, which contains the text of Treasury Department Circular No. 905, Fifth Revision, Amendment One, "Offering of United States Savings Bonds, Series H," effective June 1, 1970.

The revised Treasury circulars reflect the June 1, 1970 improvements in investment yield that were announced in our Circular No. 6599, dated September 1, 1970, as follows:

Series E

1. Series E Bonds purchased on or after June 1, 1970 when held to maturity will receive an extra $\frac{1}{2}$ percent, payable at maturity, raising the yield to $5\frac{1}{2}$ percent from date of issue to date of maturity.
2. Outstanding E Bonds that have not reached their first maturity will receive a $\frac{1}{2}$ percent increase in yield for semiannual interest periods beginning on or after June 1, 1970, payable as a bonus at maturity.
3. Outstanding E Bonds that have reached first maturity, or are extended beyond first maturity while the bonus is in effect, will have the $\frac{1}{2}$ percent credited at the end of each semiannual interest period beginning on or after June 1, 1970, through their next maturity. The bonus is payable whenever the bonds are redeemed.

Series H

1. Series H Bonds purchased on or after June 1, 1970 will yield approximately 5.12 percent for the first 5 years and 6 percent for the remaining 5 years to maturity, providing an over-all yield of $5\frac{1}{2}$ percent from date of issue to date of maturity.
2. Outstanding H Bonds that have been held for less than 5 years will receive a $\frac{1}{2}$ percent increase in yield for semiannual interest periods beginning on or after June 1, 1970, payable as a bonus in the form of increased semiannual interest payments during the second 5 years to maturity.
3. H Bonds that have been held 5 years, or are extended while the bonus is in effect, will receive a $\frac{1}{2}$ percent increase in yield for semiannual interest periods beginning on or after June 1, 1970. The bonus will be added to semiannual interest checks through next maturity.

Additional copies of the enclosures will be furnished upon request.

ALFRED HAYES,
President.