

FEDERAL RESERVE BANK  
OF NEW YORK  
Fiscal Agent of the United States

[Circular No. 7886  
May 27, 1976]

**Responsibilities of Savings Bond Issuing Agents  
Under the Privacy Act of 1974**

*To All Issuing Agents for United States Savings Bonds  
in the Second Federal Reserve District:*

Enclosed is a copy of a notice issued by the Treasury Department entitled "Notice of Changes to be Made, Pursuant to Privacy Act, on Forms Used by Bureau of the Public Debt" (Form GPO 898-681). The notice states that forms issued by the Bureau of the Public Debt are being revised to notify individuals providing social security numbers or other information on the forms of the reasons for requiring the submission of such information.

Until the forms are so revised, however, the enclosed notice must be made available to any individual requesting reissue of United States Savings Notes (Freedom Shares) or purchasing or requesting reissue of United States Savings Bonds, Retirement Plan Bonds, or Individual Retirement Bonds. It is not necessary to give a copy of the notice to each person purchasing or requesting reissue of these securities. You should either post the notice in the area where the securities are handled or have it readily available to show to the customer should a question be raised about the information needed.

In addition, printed on the reverse side is an excerpt from rulings issued by the Treasury Department regarding the applicability of the Privacy Act of 1974 to savings bond issuing agents.

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

PAUL A. VOLCKER,  
*President.*

(Over)

## Applicability of Privacy Act of 1974 to Savings Bond Issuing Agents

Under the Privacy Act of 1974 (P.L. 93-579), all records maintained by agents and contractors of the Treasury Department, Bureau of the Public Debt, are considered to be records of that agency. Accordingly, the Bureau is responsible for insuring that the requirements of the Act are adhered to with respect to records maintained by issuing agents for savings bonds.

### *Non-disclosure of information*

Section 3(b) of the Act prohibits the disclosure of any information which pertains to an individual unless the written permission of the individual is obtained or unless one of the Act's exceptions to this rule of non-disclosure applies. All banks and agents reporting to them are therefore instructed not to disclose any individually identifiable information in their possession to a third party unless prior clearance is obtained from the Bureau, except that disclosures may be routinely made to third parties which have a documented interest. This exception would include banks, dealers, and others who submit transactions for individuals and later request information relating to such transactions.

### *Destruction of records*

To prevent accidental disclosure, Bureau regulations to the Act prescribe that all individually identifiable records are destroyed by shredding, incineration, maceration, or, in the case of records in electronic media, electronically erased through accepted techniques. Issuing and paying agents must review their procedures for the disposal or destruction of individually identifiable records to insure that they comply with one of the destruction methods mentioned above.

### *Privacy Act provisions on use of Social Security numbers*

Under Sec. 7(a)(1) of the Privacy Act of 1974, it is unlawful to deprive any individual of a right, benefit, or privilege provided by law because of such individual's refusal to disclose his/her social security number. However, Sec. 7(a)(2) permits two exemptions:

1. When disclosure of the social security number is required by Federal Statute.
2. When disclosure is required by a Federal, State, or local agency maintaining a system of records in existence and operating before January 1, 1975, if such disclosure was required under statute or regulation adopted prior to such date.

Under exemption No. 2, the Bureau will continue to require that social security numbers be furnished by the owners of registered United States securities. The basis for doing so is set forth in the Department of the Treasury Circulars No. 300, current revision, "General Regulations Governing United States Securities", and No. 530, current revision, "Regulations Governing United States Savings Bonds". The social security number requirement was incorporated into these regulations and was operative prior to January 1, 1975.

### *Solicitation of information*

The Privacy Act requires that, when the social security number and other individually identifiable information are requested of an individual, the individual be informed in writing whether the furnishing of such information is voluntary or mandatory, by what authority it is required, what uses will be made of the information and the consequences of not providing it.

## Notice of Changes to be Made, Pursuant to Privacy Act, on Forms Used by Bureau of the Public Debt

Notice is hereby given, pursuant to Sections 3(e) and 7(b) of the Privacy Act of 1974 (P.L.93-579, 5 U.S.C. 552a), that forms provided for public use by the Bureau of the Public Debt, Department of the Treasury, are being revised to furnish information in conformity with said Act.

Specifically, the revised textual material on all forms that require an individual to furnish a social security number and/or other information in connection with a Public Debt transaction will notify that individual that the furnishing of such number and/or information is required under applicable regulations; that the purpose of requiring the number is to maintain, for each registered security, an accurate ownership record thereof; that the information will be used to process a transaction affecting the right, title and interest to a United States security; and that failure to furnish any of the required data may result in an inability to complete the transaction for which the form is being used.

The applicable regulations are found in Department of the Treasury Circular No. 530 (31 CFR, Part 315), for savings bonds and savings notes; Department of the Treasury Circulars, Public Debt Series No. 1-63 (31 CFR, Part 341), for U.S. Retirement Plan Bonds, and No. 1-75 (31 CFR, Part 346), for U.S. Individual Retirement Bonds; and Department of the Treasury Circular No. 300 (31 CFR, Part 306), for other United States Securities.

In consideration of the volume and variety of forms already outstanding and distributed, and the time and cost that would be expended in attempting to secure their retrieval and replacement, revision of the forms to provide the above information is being effected as new stocks are printed. Meanwhile, the Federal Reserve Banks, acting as fiscal agents of the United States, and the issuing and paying agents for savings bonds, are being advised to apprise individuals using forms of the Bureau of the Public Debt about the above information, and, in addition, to furnish, as available, a written copy of this notice.