

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

At Cir. No. 8188
October 1, 1977

ISSUANCE OF SERIES E AND H SAVINGS BONDS
TEMPORARILY SUSPENDED

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

The Treasury Department has asked us to advise you
as follows:

Because an increase in the debt ceiling has not been authorized,
it is necessary to suspend the issuance of Series E and H savings bonds
until further notice.

Applications for over-the-counter issues or for the exchange
of Series E for Series H bonds should not be accepted and bond-a-
month plans should be suspended until further notice.

Companies operating payroll savings plans should continue
withholding on a regular basis and retain the proceeds in special
accounts. The proceeds should not be remitted to Federal Reserve
Banks nor should the bonds be issued until further notice. When
the debt ceiling legislation has been approved, agents will be
authorized to issue bonds to participants with dating as of the
first day of the month in which the full purchase price of bonds
was accumulated by the company operating the plan. This delay in
the issuance of bonds will not cause loss to purchasers or disruption
of payroll savings plans because all bonds issued will earn interest
from the appropriate issue dates.

If any agents are in the process of issuing Series E bonds on
payroll savings plans with issue dates prior to October 1977, these
issues may be completed and the proceeds accounted for in the regular
way. No October-dated issues should be made, however, until further
notice.

PAUL A. VOLCKER,
President.