

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **5115**]
[November 27, 1961]

**Annual Limit of \$20,000 Restored
on Series H Savings Bonds**

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

The following statement was made public by the Treasury Department on November 24:

The Treasury today announced that after January 1, 1962, up to \$20,000 in Series H savings bonds may be purchased annually by any one buyer. Since 1957, the limit has been \$10,000.

The annual limit on both E and H savings bonds was reduced from \$20,000 to \$10,000 on May 1, 1957, after having been set at the higher figure in 1952. The new ruling will not change the present limit of \$10,000 on E bonds, face value.

Acting Secretary Robert V. Roosa said the current restoration of the \$20,000 purchase limitation on H bonds comes as a result of the Treasury's 4½ years' experience with the lower amount, and a growing demand by smaller institutional investors for a higher limit. Such investors—partnerships, corporations, pension funds, and others—have been eligible buyers of these securities only since 1958.

Interest is payable on these bonds semi-annually by check, and amounts to an investment yield of 3¾ percent if held for the full 10 years until maturity.

Records show that about 8 percent of H bond cash sales are made to investors other than individuals, while the figure is less than 2 percent for E bonds. Thus, the demand for a higher purchase limit primarily involved H bonds.

Purchases of Series H bonds are up by 14 percent this year. Cash sales for the first 10 months of 1961 were \$703 million, as compared with \$616 million for the same period of 1960.

ALFRED HAYES,
President.