

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 7717]
September 24, 1975]

UNITED STATES SAVINGS BONDS

—Use of Penalty Envelopes

—Change in Mailing Procedures

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

Penalty envelopes

The Treasury Department has advised us that, beginning with the quarter ending September 30, 1975, it will be necessary for issuing agents to submit *quarterly*, rather than annual, reports to this Bank on their use of special penalty envelopes in mailing United States Savings Bonds. This change has been made to facilitate projecting the need for such envelopes.

Enclosed is a card form to be used in mailing the first quarterly report; additional cards are available at this Bank. It is suggested that you maintain sufficient records of the number of penalty envelopes received, the number spoiled, and the number on hand so that you may submit accurate reports at the end of each quarter. The quarterly reports *must* be returned by the time indicated in the upper left portion of the card, so that this Bank may send a timely consolidated report to the Treasury Department.

The Treasury Department has also advised us that penalty envelopes may no longer be used for hand delivery of savings bonds. Gift envelopes for this purpose are available from this Bank upon written request.

Mailing procedures

The arrangement between the Treasury Department and the U. S. Postal Service whereby issuing agents could return unissued or unfit savings bonds to this Bank by registered mail without paying the registry fees *has been discontinued*.

Accordingly, agents who return unissued or unfit savings bond stock should pay the registry and postage fees on such shipments and request reimbursement for both in the usual manner. Issuing agents should no longer use Form SAV.B 378 stickers ("Registry Fee Paid by United States Treasury") on these shipments.

As indicated in our Circular No. 7168, dated June 25, 1973, only shipments of unissued or unfit savings bond stock should be sent to this Bank by registered mail.

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Amendments to our Operating Circular No. 20, on instructions to issuing agents for savings bonds, reflecting these changes will be sent to you shortly.

PAUL A. VOLCKER,
President.