

# FEDERAL RESERVE BOARD

WASHINGTON

X-4767

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

January 10, 1927.

SUBJECT: Execution of form of demand for payment on  
adjusted service certificates offered as  
collateral for loans.

Dear Sir:

The Board's attention has been called to the fact that the form of demand for payment on a number of adjusted service certificates has been completely executed by beneficiaries although the veterans to whom such certificates were issued are still living, and that banks are inquiring whether the execution of such demand for payment prevents the veterans named in the certificates from obtaining loans, and, if so, what action should be taken to remedy the situation.

The Board has referred this question to the United States Veterans' Bureau which has replied as follows:

" With reference to your letter of January 4, 1927, inquiring as to the effect which the execution of Demand for Payment on the certificate will have upon its value as collateral for the purpose of securing a loan, I wish to advise you that while the form of Demand for Payment should not be executed it will not affect the use of the certificate as collateral in any way."

Very truly yours,

D. R. Crissinger,  
Governor.

TO GOVERNORS OF ALL F.R.BANKS.