

BEP HISTORY FACT SHEET



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NATIONAL BANK NOTES

Prior to the issuance of currency notes by the government, private banks issued their own paper currency. The holders of these private bank notes were generally charged exchange rates when spending or redeeming the notes in much the same manner as notes of various countries are exchanged today. The exchange rates varied widely from bank to bank across the U.S., and banks and businesses did not even have to accept this privately printed money. As a result, people could never be sure that the money they received would be accepted for deposit or as payment for goods or debts.

As part of the financing measures aimed at paying the costs of the Civil War, Congress instituted legislation that reformed the nation's banking system. Consequently, banks were required to purchase and place U.S. government securities on deposit with the government in order to be chartered as National Banks by the Comptroller of the Currency. Additionally, the National Banks could then issue new, standardized notes that would be accepted and recognized by National Banks across the country.

National Bank Notes were first authorized by the National Bank Act of February 25, 1863, and were issued between 1863 and 1935. Their design was the same regardless of place of issue, differing only in the name, location, and charter number of the bank. A National Bank Note was good at any National Bank or the Treasury. Therefore, anyone holding or taking such a note in payment could be sure of getting his or her money's worth.

National Bank Note issuances are usually grouped into three Charter Periods (1863-1882, 1882-1902, and 1902-1935). These periods refer to the organizational life of a National Bank. The National Bank Acts of 1863 and 1864 limited the corporate existence of a National Bank, represented by its charter, to 20 years. Thus the first 20-year life span or First Charter Period ran until 1882 (presumably to cover banks that had formed in anticipation of the passage of the 1863 act). In 1882, Congress renewed these charters for another 20 years or until 1902, creating the Second Charter Period. The Third Charter Period began with another 20-year renewal of charters set to expire in 1922. Finally, in 1922, Congress basically eliminated the deadline on corporate existence, extending the Third Charter Period to 99 years. Charter Periods are important for National Bank Note series designations because the renewal of a bank's charter required that it start a new series of notes. National Bank Notes were issued under a total of seven different series until 1935 when the bonds used as security for issuance were retired by the Treasury and note issuance ended.

Additional Sources

Dilliston, William H. "National Bank Notes in the Early Years." *Numismatist*, 1948.

Huntoon, Peter. *United States Large Size National Bank Notes*, 1995.

Oates, Dean & Hickman, John. *Standard Catalog of National Bank Notes*, 1990.

SERIES**Old Series**

Also known as the Original Series, these notes were issued from 1865 to 1875 during the First Charter Period. Authorized by the National Bank Act of June 3, 1864, they were available in \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, and \$1,000 denominations. These notes were printed by private companies with the Bureau of Engraving and Printing (BEP) doing the final processing.

Series 1875

This series was authorized by an 1874 amendment to the National Currency Act that called for the printing of bank charter numbers on National Bank Notes. In 1878, the BEP took over all production of the notes. A year later, the issuance of \$1 and \$2 notes was discontinued.

Series 1882

This is the first issue of the Second Charter Period. It was initiated by the Act of July 12, 1882, which extended bank charters for 20 years. The act also directed that new notes, distinctly different from First Charter Period notes, be issued by the re-chartered banks. In 1884, production of the \$1,000 note ended, and no more \$500 notes were made after 1885.

Series 1882-1908

These notes constituted the second issue of the Second Charter Period and were the result of the passage of the Aldrich Vreeland Act of 1908. This act allowed National Banks to pledge securities other than U.S. Government bonds as security for their currency in times of financial emergencies. New currency was produced stating this fact.

Series 1902

An act passed on April 12, 1902, authorized these first notes of the Third Charter Period. Again, bank charters were extended and new notes reflecting this fact were produced.

Series 1902-1908

This was the second issue of the Third Charter Period. As in the case of the Series 1882-1908, these notes were the result of the passage of the Aldrich Vreeland Act of 1908. They had to state the fact that National Banks were not limited to U.S. Government bonds as security for their currency.

Series 1929

The last series of National Bank Notes were these small-sized notes. Available in \$5, \$10, \$20, \$50, and \$100 denominations, the notes were last issued in May 1935.

**National Bank Note
Production Totals**

Denomination	Total Production
\$1	\$23,779,091
\$2	\$15,906,742
\$5	\$4,721,719,810
\$10	\$7,487,884,965
\$20	\$4,314,954,733
\$50	\$525,963,500
\$100	\$608,971,450
\$500	\$12,742,500
\$1,000	\$5,419,700

Bureau of Engraving and Printing, 14th and C Streets, SW, Washington, DC 20228

Bureau of Engraving and Printing, Western Currency Facility, 9000 Blue Mound Road, Fort Worth, TX 76131