CORPORATE TREASURY

UNITED STATES
POSTAL SERVICE

September 2, 2008

Dear Financial Institution:

I am pleased to inform you that the United States Postal Service has redesigned its Money Orders. On October 27, 2008, we will begin selling the newest release of our Domestic and International Postal Money Orders with enhanced security features and designs. These redesigned Money Orders are safer, smarter, and more secure:

Safer because they are easier to validate.
Smarter to provide greater security for our customers and to stay ahead of counterfeiters.
More secure to protect our customers and their investments.

Two predominant features of the new Money Orders are the watermark and a new security thread.

Watermark – When the Money Order is held up to light, and only when held up to light, repeating images of former Postmaster General Benjamin Franklin can be seen on the left side of the document, (or on the right side when viewing the back of the document), running from top to bottom.

New Security Thread – To the right of the watermark is a vertical, holographic, multi-colored stripe that weaves in and out of the paper. When the Money Order is held up to light, and only when held up to light, the thread appears continuous, with alternating horizontal dark and light bars behind it. The letters "USPS" repeat backward and forward throughout the thread.

Postal Domestic Money Orders cannot exceed $1000 and International Money Orders cannot exceed $700. Although only the new, redesigned Postal Money Orders will be available beginning October 27, previously issued Money Orders do not have an expiration date and will still be valid for redemption.

We have enclosed a copy of our Notice 299, dated October 2008, with information and guidelines needed to identify valid Money Orders. In addition, the following website provides more information on missing or stolen Money Orders: usps.com/missingmoneyorders/security.htm.

Finally, we have implemented an interactive voice response system that tellers may call to verify the serial number and dollar amount of Money Orders within two to 90 days from the date of purchase. Call the toll-free U.S. Postal Service Money Order Interactive Voice Response System number at, (866)-459-7822.

Sincerely,

Elizabeth M. Schafer
Assistant Treasurer, Bank Relations

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