

ARISTOTLE'S VAULT

FORUM GUIDE



FORUM

Advanced U.S. Coin Grading and Problem Coins

EPISODE 2

How Did We Get Here: A Review and History of Grading

HISTORY OF GRADING

Early grading in the late 1800s and early 1900s was categorized by whether coins were circulated or uncirculated. This time period also saw auction catalogs become more specific with designations such as choice uncirculated and choice very fine.

In 1949, Dr. William Sheldon developed a 70-point scale for grading coins, specifically large cent coins. Eventually, grading services began developing in the 1970s and adapted the Sheldon System to include all US coinage.

| Number | Grade |
|--------|-----------------------------|
| 1 | Basel State 1 (aka, "poor") |
| 2 | Fair |
| 3 | Very Fair |
| 4-6 | Good |
| 7-10 | Very Good |
| 12-15 | Fine |
| 20-30 | Very Fine |
| 40 | Extremely Fine |
| 50 | Uncirculated Quality |
| 60 | Mint State |
| 65 | Mint State |
| 70 | Mint State |

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THE RISE OF GRADING SERVICES

With the adaptation of the Sheldon Grading System, grading services began to develop.

- The American Numismatic Association Certification Service (ANACS) began in 1972.
- In 1977, the ANA established specific grading standards to curtail disagreements between dealers. Up until this point, dealers had their own systems, making it difficult for collectors.
- Ken Bressett helped create the ANA grading standards, which are still used today (mainly for circulated coins).
- This standardization is considered a revolutionary point in grading.
- In 1979, ANACS became the first certified 3rd party grading service.
- Photo certificates and Mint State designations were added.
- The Professional Coin Grading Service (PCGS) began in 1986.
- The Numismatic Guaranty Company (NGC) began in 1987.

Today, grading services continue to evolve, with a difference of one point possibly creating a large change in value.

**“EDUCATION
is an ornament in
prosperity and a
refuge in adversity.”**

-Aristotle

ASPECTS FOR CONSIDERATION WHEN GRADING

CONTACT MARKS

- Contact marks are created when one coin hits or rubs against another coin before entering circulation. For example, many Morgan silver dollars have contact marks from hitting other coins in mint state bags.
- Location and severity of contact marks can greatly impact value.

WEAR

- Wear comes from the handling of coins and circulation.
- Unlike contact marks, wear occurs as the coin is used.
- It is important to remember to look at the high points of the design on coins when grading and determining wear.

STRIKE

- Strike is based on how the coin is struck at the mint.
- Key factors to remember when looking at strike include the mint and specific type and denomination of the coin.
- Different mints have different striking qualities. For example, New Orleans quality is considered less than San Francisco in certain years.

LUSTER

- Luster is determined by how the coin surface reflects light.
- Luster can add value to a coin.

EYE APPEAL

- Like luster, eye appeal is determined by how attractive the coin is. In today's market, toning can have a major impact on pricing.
- NGC has added the star (*) designation to coins that have strong eye appeal.

PROBLEM COINS

- Problem coins are not graded for a variety of reasons including mishandling, cleaning, whizzing, etc.
- These coins are ungradable and often given the designation of Details.

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MINT MARKS

Here is a helpful reminder of the different Mint Marks for branches of the US Mint. Keep in mind that today, only the Denver, Philadelphia, San Francisco, and West Point Mints are used.

- CC** Carson City, Nevada
- C** Charlotte, North Carolina
- D** Dahlonega, Georgia
- D** Denver, Colorado
- O** New Orleans, Louisiana
- P** Philadelphia, Pennsylvania
- S** San Francisco, California
- W** West Point, New York

GRADING SCALES

It is often easy to start to understand the grading scales by looking at Morgan silver dollars, because they are large coins and fairly uniform. The scale with images and explanations can be found at bit.ly/morgan-grading-set.

For detailed Grading Standards for US Coins, consult *The Official Whitman Guidebook: The Official American Numismatic Association Grading Standards for United States Coins*. Here is the citation:

Bressett, Kenneth E., and Q. David Bowers. *The Official American Numismatic Association Grading Standards for United States Coins*. Whitman Publishing LLC, 2019.

DESIGNATIONS

Certain coins have specific designations based on the coin design, color, or intended production use.

COMMON SILVER DOLLAR DESIGNATIONS

- Mint State | MS
Intended for circulation but never circulated
- Proof | PR or PF
Made for collectors
- Specimen | SP
Quasi-special strikes (these are rare)
- Proof Like | PL
Determined by the state of the die when struck
- Deep Mirror PL | DMPL
Made with early strikes of a die

Proof Like and Deep Mirror Proof Like are coins that were made for circulation. The designation is determined by how new the die was when the coin was struck. Early struck coins may have mirror surfaces, earning the designation DMPL.

COPPER COIN DESIGNATIONS

- Red | RD
Shiny red copper coins
- Red Brown | RB
Brown toning on top of red
- Brown | BN
Mostly brown

The red designation on a copper coin indicates the earliest state of preservation.

JEFFERSON NICKEL DESIGNATIONS

- Full Steps | FS | Full strike with 5 or 6 steps completed

The key Jefferson nickel designation indicates if there are full steps on Jefferson's Monticello. 5 or 6 steps are considered FS. Grading services would indicate the difference as 5FS or 6FS.

MERCURY DIME DESIGNATIONS

- Full Bands | FB | Full strike with the separated bands on reverse

The key Mercury dime designation indicates whether there are full bands on the reverse. The bands are shown on the coin as the binding that holds together the stick in the bundles. There are 3 band sets, one at the top, one in the middle, and one at the bottom. Full bands acts as the designation on coins where the middle band set is separated.

STANDING LIBERTY QUARTER DESIGNATIONS

- Full Head | FH | Full strike on the head of liberty on obverse

The key Standing Liberty quarter designation is given when there is a full strike on the head of Liberty, often with special attention focused on Liberty's ear. This Coin of the Episode focuses on examples of a full head designation and a Standing Liberty quarter without a full head designation.

Side Note: When a coin is graded with a (+), it means that it has been graded as close to the next highest grade. In Jeff's example in the episode, his 1928 S Standing Liberty is graded MS66+ FH, meaning it is very close to an MS67 FH.

FRANKLIN HALF DOLLAR DESIGNATIONS

- Full Bell Lines | FBL
Full strike on the Liberty Bell lines

The key Franklin half dollar designation looks for full bell lines at the base of the Liberty Bell on the reverse. Grading services look for full separation of the bell lines.

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