In late 2001, Professional Stamp Experts presented to the philatelic community a grading system for United States Postage Stamps. For the first time, all attributes of a stamp – centering, soundness and eye appeal – were incorporated into a single grading model and a method for arriving at a single net grade for a stamp was established.

In the ensuing years, this model has been discussed with many of the nation’s leading dealers and collectors. PSE has examined and graded over hundreds of thousands of stamps, and carefully observed where the system worked, and where improvements were needed. If there were inconsistencies, changes were made. This guide will examine how U.S. stamps are graded and PSE’s model for fairly and impartially evaluating single U.S. stamps and coil pairs.

What is Grading?

Grading is the process of grouping stamps of a given Scott number and state, (Used, NGAI, Mint ogPH, Mint ogNH, etc.) with a similar fair market value into discrete categories. For example, a used Scott No. 1 worth in the $175 to $225 range would fall into the “Good” category, one that might sell in the $200 to $300 category would be “Fine,” a $500 copy might be graded “Very Fine” and a $3,500 example would likely qualify as “Superb.” Because mint stamps are usually worth more than used stamps or because some lower grade used stamps are worth more than higher grade mint examples (e.g., Scott No. 39) or because of the large premium afforded to “never hinged” stamps, comparisons are only valid among stamps of the same state.

It is important to appreciate that a stamp can achieve the grade of “Fine 70” through two very different paths. The stamp can be completely sound (faultless) and have its design close to the perforations on one or two sides. Conversely, the stamp may have near perfect centering, yet have a fault such as a crease, a thin, or a small tear, and still have a net grade of “Fine.”

What grading actually attempts to say is that the two stamps have approximately equal market value. Not to all collectors at all times, of course, but across the broad market there should be informed buyers willing to pay a “Fine” price for either stamp within a reasonable length of time. There would of course be
collectors who would not want a faulty stamp at any price. There are other collectors who are interested in a well-centered front, and would consider an XF-Superb centered stamp with a thin to be well worth a “Fine” price.

Despite the aura of precision that the use of numerals lends to grading, it is important to keep in mind that grading remains both an art and a science. Grades are essentially ranges of condition, and any given grade contains both “low end” examples that just made the grade, to “high end” examples that just missed the next higher grade.

In reality, there is a far greater difference between the worst XF90 and the best XF90 than there is between the best XF90 and the worst XF-Superb 95. This is easy to see. Take a Scott No. 231 for example (a two cent Columbian) and imagine arranging all copies that exist from worst to best. Then draw lines between the grade ranges separating the 90s from the 95s, the 95s from the 98s, etc… The two stamps on either side of the 90/95 line are essentially the same stamp! In fact, a number of stamps on either side of the 90/95 line are probably nearly indistinguishable. Yet, several thousand stamps may separate the worst XF90 from the best XF90. This is an important concept to understand.

Add to this the fact that two different people would almost certainly not arrange all these stamps in the same order and that even you yourself may not arrange these stamps in exactly the same order if you had to do it a second time. In essence, while grading is the best attempt to place a relative rank on a stamp’s condition and value, it is by no means absolute. Two experts may have legitimate differences of opinion, and those stamps near the dividing line between grades are particularly vulnerable to disagreement.

However, do not interpret the above to imply that grading is a futile endeavor. The vast majority of grades assigned to stamps would meet with agreement from impartial third parties, and independent, unbiased third-party
grading remains far and away a collector’s best insurance they are receiving fair value for their money.

What Stamps are Not Graded?

PSE generally does not grade multiples from sheet stamps or coil strips of three or more stamps except as listed in the Scott catalogue. See the Grading of Blocks in Section 8 for more detail on grading of multiples. PSE also does not grade REPERFORATED, ALTERED, FAKE or counterfeit stamps. Items which fall into these categories include mid-19th century used stamps with removed cancels to simulate unused stamps, fake early coils, 19th century proofs which have been altered to resemble issued stamps, fake Scott No. 461s or Scott No. 519s and outright counterfeit stamps.

PSE does not grade damaged stamps, i.e., ones which are grossly faulty or extensively repaired. Market values for these types of stamps are very small, if they even exist.

The final result of grading is to receive a certificate or encapsulation showing the grade. Such certificates and encapsulations make the stamps highly marketable.

Examples of a paper certificate and plastic encapsulation.

Large style encapsulation is available for souvenir sheets and larger items.
Paper certificates allow collectors to place the underlying stamp in an album while plastic encapsulation assists in maintaining the stamp’s condition and prevents damage from casual handling.

Examples of certificates for Canada and China.

GRADING SYSTEM

A number of diverse factors come into play when determining the grade of a stamp, and any system that compresses these factors into a single numerical (or adjectival) grade is necessarily complex. However, such challenges are not unique to stamps.

The grading of sports cards attempts to balance such diverse attributes as edges, corners, surfaces, centering and registration quality, all of which must be weighed to arrive at a single, numerical grade. Similarly, rare coins have attributes such as strike, surface preservation (marks, scratches), luster, and toning (eye appeal), all of which must be considered when determining a final grade. Difficult? Yes. Controversial? At times. Impossible? No.

The preliminary grade of a stamp has two components:

- **Soundness** - the presence or absence of faults
- **Centering** - the balance among the four margins

This concept of combining soundness and centering is the heart of the PSE grading system. For faultless stamps, the preliminary grade is the same as the
centering grade. For stamps with faults, the PSE Grading System is an attempt to model the value that the marketplace assigns to stamps with faults. PSE appreciates the fact that all collectors will not view faults equally. What to some might be a “fatal flaw” would to others be “no big deal,” at least insofar as their willingness to add the stamp to their collection.

It is a fact that a significant majority of pre-1890 U.S. stamps and a majority of 1890-1920 stamps have a fault of some sort. To shrug off that portion of the market with statements like “faults decrease the value of a stamp” and “let the market determine how faulty stamps should be valued” begs the question, “What should I pay?” This leaves all but fully knowledgeable collectors at a severe disadvantage.

A third component, Eye Appeal (color, impression, freshness and cancellation) allows for some adjustment of the preliminary grade to arrive at the final grade. For mint (unused) stamps, a notation is made of the gum condition. That notation follows the grade of the stamp, and is not usually a factor in determining the grade. It does however, play a major role in determining the fair market value of a stamp.

DETERMINING SOUNDNESS

The soundness component evaluates the overall condition of the stamp. Faults, both major and minor, are the key determinants. The stamp is examined for creases, thins, color fading, toning spots/stains, tears and reperforation or other alterations. The severity of any or all faults is taken into consideration.

Because a stamp can be faultless, or have any number of faults in any combination, we have set up a chart that shows how a variety of faults affect the soundness rating. See the Expertizing Section for a detailed discussion of the various kinds of faults (both natural and man-made) which go into the determination of soundness.

SOUNDNESS

- Faultless: The stamp is completely sound, free of all faults.
- Very Minor Fault: Minor gum skips or short gumming on NH stamps
- Minor Fault: Tiny thin spot (~1mm), Tiny natural paper inclusion, Natural surface wrinkle on the face of a rotary press stamp, Small corner perf crease, Tiny toned spot, etc.
- Fault: Light crease, Small thin (1-4 mm) or two tiny thins, Small tear (~1mm), Short perf (even with the bottom of the holes), Pihole, Small stain, Natural straight edge, etc.
- Major Fault: Heavy crease or two light creases, Thin, two small thins or three tiny thins, Large tear or two small tears, Large stain, Repair (e.g., filled thin, added perf, etc.), Natural straight edge on two sides, Several faulty, clipped pulled or short perfs, etc.
Ungradable Stamp Categories

Altered – An altered stamp is typically one that has been reperforated to improve its centering or to eliminate a natural straight edge, had a cancel removed to simulate a more valuable unused stamp, or had a cancel added to create a more expensive used stamp. An altered stamp does not change the Scott number.

Reperforated at the bottom.
Centering can not be determined with fake perforations.

Fake – A fake stamp starts with a genuine item and is modified in an attempt to create a different and more valuable item. Examples would include fake coils or perforated stamps made from genuine imperforate stamps and fake imperforates made by trimming the perforations from genuine stamps. Also fakes made by modifying the design of less expensive stamps, grilled stamps made by adding a fake grill, and stamps created from proofs. A fake stamp is made with the intention of changing the Scott number.

US #409 (an imperforate stamp) is often used to fake other stamps.
Counterfeit – A counterfeit stamp is a complete fabrication. It is privately printed or drawn to resemble a genuine item but lacks the characteristics of a genuine stamp.

CSA #10 and USA #2 counterfeits.

A DISCUSSION OF RELATIVE SOUNDNESS

When PSE originally designed its grading system for U.S. stamps, the intention was to employ a single standard for evaluating all stamps regardless of age or issue save for leniency on margin sizes for the 1857 issues and certain narrow margined 1861 issues.

One aspect of grading that often arises concerns extremely minor vs. very minor faults. Extremely minor faults such as a shorter perf, a tiny natural inclusion or a minor natural gum bend, are not mentioned in an opinion but do lower the grade. Many of these “faults” are really just eye appeal deductions but are categorized for consistency. Very minor faults such as a perf disc indent or small gum skips on a never hinged stamp not only lower the grade, but also are mentioned in our opinions.

As our experience with grading has evolved, it turns out that such faults affect the appeal and marketability of an otherwise 98 or 100 grade stamp more than that of a similarly faulty lower grade stamp. A natural gum bend might well lower the value, and thus the grade of a nearly perfect stamp whereas that same gum bend would not materially affect the value and grade of a stamp that also has two thins and a pulled perf or that is significantly off center.

Similarly, PSE’s view of such faults may differ depending whether the stamp is a modern stamp such as a Famous Americans issue or one from the mid-19th century such as one of the 1869 issues. Most modern stamps are quite common and survive in sheet quantities. There is no reason for a collector to have to settle for even a very slightly faulty modern stamp when completely sound examples can be had for little effort. Consequently, a collector will have little tolerance for even an extremely minor fault on a grade 95 stamp.
Nineteenth century stamps are now more than 100 years old, were produced with more primitive methods and have cycled through probably half a dozen collections or more on average, so collectors cannot expect many stamps to be pristine perfect.

Accordingly, PSE may be a little tougher on extremely minor faults or very minor faults for a modern stamp than for a 19th century stamp. What PSE would “call” on a modern issue might simply be factored into the grade on an earlier issue and not be mentioned on the certificate.

DETERMINING CENTERING

A stamp whose design is well centered within four nearly equal margins is aesthetically more pleasing than one that is “off” on one or two sides. Because of this stamps with perfect or near perfect centering have traditionally sold for more money than those that are visibly off center.

Since the perforation process occurs after printing, a very slightly misaligned sheet may result in the perforations being closer to the design on one or two sides. Grading the centering of a stamp is complicated by the fact that improving production methods have resulted in more accurate and precise perforating techniques. Consequently, what may be above average centering for an early issue may be only average or even below average for a modern issue.

Traditional discussions of centering have usually broken stamps into three categories; poorly centered issues (typically 19th century), median-centered issues (early 20th century) and well-centered issues (later 20th century). While this approach is certainly logical and reflective of technological progress, it is flawed in the sense that what may be “Very Fine” for one issue is only “Fine” for another.

The expertise needed to know which issues are typically poorly centered is considerable, and confusion often results on the part of the novice, and even the intermediate buyer. PSE therefore strives to apply only one centering standard for all U.S. stamps. While that is a worthy goal, the plate layouts of the earliest perforated stamps make this absolute standard impractical.

The first perforated issues of 1857 to 1861 (Scott Nos. 18-39), and their corresponding reprints of 1875 (Scott #40–47) were originally designed as imperforates, and the physical space between the stamps on the plate was sometimes not even as wide as the diameter of the perforation holes. As a result, the perforation holes sometimes touch the design even on well-centered examples.

Aside from the first perforated issues of 1857-1861, PSE attempts to evaluate most of the remaining U.S. stamps using a single, consistent criterion. In this way, the standard can remain steady, and the listed market values can be adjusted appropriately.
Scott No. 596, a rare and typically poorly centered stamp is consequently the same as that for Scott No. 595, a stamp that comes in the full range of centering. In this way, superb centering is just that, and there is no such thing as a Scott No. 596, “Superb” for issue. The inconsistency and confusion resulting from a “relative” scale is obvious. According to the PSE centering standard, the best-centered Scott No. 596 in existence is only Fine, but the market retail price for this centering can still exceed $100,000.

THE CENTERING SCALE – Perforated Stamps: 1861 and Later Issues

**Gem** - A gem centered stamp will have four visually equal size margins and the margins will be at least slightly larger than the average margin size for the issue. Collectible U.S. stamps have widely varying average margin sizes, ranging from 0.5mm (Scott No. 330) to 1.5mm (Scott No. 909). Even after a careful examination, it will be difficult or impossible to visually pick a margin smaller or larger than the other three. It will be a “boxed” stamp.

The plate layouts for many stamps are such that the vertical and horizontal spaces between designs are not equal. In such cases therefore, the lines of vertical or horizontal perforations will have to be shifted from their “normal” positions to yield a gem centered stamp. For very modern (late 20th century and 21st century) issues the advancement in perforating (or die cutting) technology may make a “boxed” stamp impossible and in such cases “balanced” will replace “boxed”.

![Four examples of stamps that received grades of Gem 100.](image)

**Superb** - If a stamp is visually perfectly centered, but the margins are of only average or very slightly below average size, the centering grade will be lowered to Superb. Superb centering will be nearly perfectly centered. One margin may be very slightly larger or smaller than the other three, or a line of perforations may be slightly out of parallel with the design, or equal top and bottom margins may differ a bit from equal left and right margins. At first glance the stamp may look to be “boxed” as it can be difficult to identify differences of 0.05mm on small margin stamps and 0.10 or even 0.15mm differences on large margin stamps.

**XF-Superb** - A stamp that is nearly perfectly centered, but with slightly smaller than average size margins, the centering grade for otherwise Superb centering is lowered to XF-Superb. For stamps with average or above average margins, regular XF-Superb centering may be just slightly off in one or two directions. Visual examination will indicate that one or two margins differ very
slightly from the others. More allowance is afforded for vertical imbalance than horizontal imbalance.

**Extremely Fine** - Extremely fine centering will be off in one or two directions, but only slightly more than with XF-Superb centering. This is still unquestionably premium centering, but easily seen to be a bit out of balance.

**VF-XF** - A Very Fine to Extremely Fine stamp will appear slightly off center in one or two directions at first glance, but will unquestionably be better centered than most examples. The margins will be full with room to spare.

**Very Fine** - A Very Fine stamp will be clearly off center on one or two sides, but the frame lines will not be close to the edge on any side. All four margins will be unquestionably full, and well clear of the perforations.

**Fine-Very Fine** - Visually, with the unaided eye, the perforation holes are easily seen to be clear of the design, but one or two margins will be narrow. For stamps with rectangular frame lines like the large or small Banknote stamps, the first Bureau issues or the Washington-Franklin stamps, the minimum margin should be approximately 0.4mm. For small margin stamps such as the Jamestown issues or later rotary press regular issues, the minimum margin may be a bit smaller.

**Fine** - Fine centering is when the perforation holes on one or two sides come very close to the design, but some white space remains visible to the unaided eye. For white space to be clearly visible without magnification, it must be at least 0.2mm wide. With 10X magnification, one can discern margins as small as 0.1mm, but to the unaided eye a 0.1mm margin will appear to have the perforation holes touching the frame line of the design.

**Very Good** - The perforations actually touch, appear to touch or very slightly cut into the frame line of the design. By measurement, the minimum margin ranges from about 0.1mm to -0.1mm.

**Good** - The perforations cut well into the design, and some portion of the design is lost. By measurement, the perforation holes cut at least 0.2mm into the frame line or the design.

“Good” centering is actually not that good.
Centering variations for Scott #210, from the Banknote Series, ca. 1881-82.
Poorly Centered Stamps - Stamps with poor centering, where a significant portion of the design is lost and the perforations cut deeply into the stamp cross into the “freaks and oddities” area, and may actually begin to enjoy increased demand and value from collectors who value such anomalies.

Imperforate Issues

There are two different kinds of imperforate issues. First, there are the 1847-1856 classic imperforates, Scott Nos. 1-17, and then there are all the early 20th century imperforates ranging from Scott No. 314 up through the Farley imperforate Scott No. 771.

The margins for all the imperforates can exist in a huge range of sizes and can be cut parallel to the design or on a very significant slant. If the margin sizes of any stamp differ greatly, or are cut on a slant, PSE grades the centering according to what the stamp would look like if it were cut (blocked off) in such a way as to maximize its centering appearance. For example, assume that the left margin is triple that of the right. If it could be cut down so that the left and right margins are equal and such a move would then yield a centering grade of 90, then PSE will assign a centering grade of 90.

Generally, collectors prefer imperforate stamps to be rectangular. Accordingly, if one or more margins have a significant slant, then PSE will block off part of the margin or margins to optimize the centering, and assign a grade based on that “idealized” appearance.

Having said that the centering grade of any imperforate is based upon an optimized appearance, the centering of a Scott No. 11 cannot be graded in the same way as for a Scott No. 371.

Grading the centering of the early 20th century imperforates is much like that for their perforated counterparts, but the margin sizes must be larger for all centering grades of 70 and higher.

Many 20th century imperforate stamps have been cut from multiples so that they have very large margins. PSE has adopted the following centering standards for these extremely large, “hand-made” stamps:

Centering Grade and Description:

- 100J - Must show part of the design on all eight surrounding stamps, or part of the design of five surrounding stamps with the fourth margin having a Plate number.
- 100 - Margins cut to the frame line of, but not into the surrounding stamps. A fourth margin could be from a sheet edge if at least equal in size to the other three sides. In the past, PSE has given 98J centering grades to stamps which show parts of the design of five surrounding stamps, with the fourth
margin being from a sheet edge at least equal in size to the other margins. PSE has also given that grade to corner margin singles with parts of the design of the three adjacent stamps showing. Since such stamps could easily be cut down to make ordinary 100 centering, they will now be graded 100. There will no longer be a 98J centering grade for these imperforate stamps.

- **98** - All four margins clearly larger than one-half the space between the stamps on the sheet.
- **95** - All four margins roughly equal to one-half the space between the stamps on the sheet. PSE does not assign a 95J centering grade for 20th century imperforates.
- **90** - All four margins generous, but slightly smaller than one-half the space between the stamps on a sheet. PSE does not assign a 90J centering grade for these imperforates.

In the past, PSE has given 98J centering grades to stamps which show parts of the design of five surrounding stamps, with the fourth margin being from a sheet edge at least equal in size to the other margins. PSE has also given that grade to corner margin singles with parts of the design of the three adjacent stamps showing. Since such stamps could easily be cut down to make ordinary 100 centering, they will now be graded 100. There will no longer be a 98J centering grade for these imperforate stamps.

**GUM CONDITION**

An unused stamp is evaluated for the existence or preservation of the gum on the reverse side. The widespread custom of hinging stamps placed into albums has taken a considerable toll on the population of post office fresh, never hinged stamps, and a substantial portion of extant stamps bear some “scars” of this practice. Decades of handling or environmental hazards have also affected the gum condition of many stamps and some 19th and early 20th century stamps now have only a fraction or none of their -original gum intact. The condition of the gum will appear as a modifier, after the final grade.

Note that minor flaws such as natural gum skips, bends or creases are accounted for in the overall condition or soundness of the stamp. The gum condition modifier refers to the presence or absence of the gum itself and whether or not the stamp has ever been regummed or hinged.

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<thead>
<tr>
<th>Adjectival</th>
<th>Description</th>
<th>Abbreviation</th>
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<tbody>
<tr>
<td>O.G. Never Hinged</td>
<td>Original gum, never hinged</td>
<td>ogNH</td>
</tr>
<tr>
<td>O.G. Previously Hinged</td>
<td>Original gum, previously hinged</td>
<td>ogPH</td>
</tr>
<tr>
<td>O.G. Hinged</td>
<td>Original gum, hinged</td>
<td>ogH</td>
</tr>
<tr>
<td>Disturbed O.G.</td>
<td>Disturbed original gum</td>
<td>dog</td>
</tr>
<tr>
<td>Condition</td>
<td>Description</td>
<td>Abbreviation</td>
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<td>---------------</td>
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<tr>
<td>Part O.G.</td>
<td>Some of the original gum remains</td>
<td>pog</td>
</tr>
<tr>
<td>No Gum</td>
<td>Essentially none of the original gum</td>
<td>NG</td>
</tr>
<tr>
<td>Regummed</td>
<td>The stamp has had new gum applied</td>
<td>RG</td>
</tr>
<tr>
<td>No Gum As Issued</td>
<td></td>
<td>NGAI</td>
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![Image of stamp conditions](image)