

FEDERAL RESERVE BANK OF DALLAS
FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, February 1, 1962

PRELIMINARY ANNOUNCEMENT
EXCHANGE OFFERING

To All Banking Institutions and Others Concerned
in the Eleventh Federal Reserve District:

There is quoted below a press statement issued today by the Treasury Department in regard to current financing:

Treasury to refund \$11.7 billion of Treasury Notes
maturing February 15, and April 1, 1962

The Treasury is offering holders of \$11,731 million of four issues of Treasury notes maturing February 15, 1962, and April 1, 1962, the right to exchange them for any of the following securities:

3½ percent Treasury Certificates of Indebtedness dated February 15, 1962, due February 15, 1963, at par; or

4 percent Treasury Notes dated February 15, 1962, due August 15, 1966 at par.

Cash subscriptions for the securities listed above will not be received.

The maturing Treasury notes which may be exchanged for the new securities follow:

\$647,100,000 3⅝ percent Treasury Notes of Series A-1962, dated May 1, 1957, due February 15, 1962;

\$1,435,000,000 4 percent Treasury Notes of Series D-1962, dated February 15, 1959, due February 15, 1962;

\$9,098,000,000 3¼ percent Treasury Notes of Series F-1962, dated November 15, 1960, due February 15, 1962;

\$551,200,000 1½ percent Treasury Notes of Series EA-1962, dated April 1, 1957, due April 1, 1962.

The subscription books will be open **only on February 5 through February 7** for the receipt of subscriptions for any issue addressed to a Federal Reserve Bank or Branch, or to the office of the Treasurer of the United States, and placed in the mail before midnight February 7, will be considered as timely. The new securities will be delivered February 15, 1962. The certificates of indebtedness will be available only in bearer form but the Treasury notes will be made available in registered form, as well as bearer form.

Interest on the new 3½ percent 12-month Treasury certificates of indebtedness will be paid on August 15, 1962 and February 15, 1963. Interest on the 4 percent Treasury note is payable semiannually on August 15 and February 15.

Exchanges of the 3⅝ percent, 4 percent, and 3¼ percent Treasury notes maturing February 15, 1962, may be made for a like face amount of either the 3½ percent Treasury certificates maturing February 15, 1963, or the 4 percent Treasury notes maturing August 15, 1966. Coupons dated February 15, 1962 on these maturing notes should be detached by holders and cashed

when due. Holders of the 1½ percent Treasury Notes, Series EA-1962, maturing April 1, 1962, may exchange them for a like face amount of the new 3½ percent Treasury certificates or the 4 percent Treasury notes. Exchanges of the 1½ percent Treasury Notes, Series EA-1962, will be made with interest adjustments as of March 1, 1962.

Coupons dated April 1, 1962, must be attached to the 1½ percent Treasury notes when surrendered. Adjustments with the holders who exchange their 1½ percent notes will be made as follows:

	CREDITS PER \$1,000 Accrued Interest on 1½ Percent Note to 3/1/62	CHARGES PER \$1,000 Accrued Interest to 3/1/62	Difference to Be Paid to Subscriber
1½ Percent Treasury Notes Exchanged for			
3½ percent certificates, 2/15/63	\$6.22253	\$1.35359	\$4.86894
4 percent note, 8/15/66	\$6.22253	\$1.54696	\$4.67557

Official circulars and subscription forms for the offering of Treasury certificates and Treasury notes will be mailed to reach all banking institutions by Monday, February 5, 1962.

Yours very truly,

Watrous H. Irons

President