

**FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

**DALLAS, TEXAS 75222**

Circular No. 72-58

March 22, 1972

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

There is quoted below a statement issued by the Treasury Department  
in regard to an auction of United States Treasury Notes:

**DETAILS OF TREASURY ANNOUNCEMENT OF  
AUCTION OF \$1-3/4 BILLION OF NOTES**

The \$1-3/4 billion, or thereabouts, of 3-year Treasury Notes to be sold at auction under competitive and noncompetitive bidding will be issued on April 3, 1972. The 5-7/8% Treasury Notes of Series F-1975, will be dated April 3, 1972, and will mature May 15, 1975 (CUSIP No. 912827 CQ3).

The notes will be issued in registered and bearer form in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Interest will be payable on November 15, 1972, and thereafter on May 15 and November 15 until maturity.

Tenders for the notes will be received up to 1:30 p.m., Eastern Standard Time, Tuesday, March 28, 1972, at any Federal Reserve Bank or Branch and at the Office of the Treasurer of the United States, Washington, D. C. 20220; provided, however, that noncompetitive tenders will be considered timely received if they are mailed to any such agency under a postmark no later than Monday, March 27.

Each tender must be in the amount of \$1,000 or a multiple thereof, and must state the price offered, if it is a competitive tender, or the term "noncompetitive", if it is a noncompetitive tender. The price on competitive tenders must be expressed on the basis of 100, with two decimals, e.g., 100.00. Tenders at a price less than 99.26 will not be accepted. Fractions may not be used. The notation "Tender For Treasury Notes" should be printed at the bottom of the envelope in which the tender is submitted.

Public announcement will be made of the amount and price range of accepted tenders. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations noncompetitive tenders of \$200,000 or less will be accepted in full at the average price (in two decimals) of accepted competitive tenders. This price may be 100.00, or more or less than 100.00.

Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than commercial banks will not be permitted to submit tenders except for their own account.

Tenders will be received without deposit from commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Federal Reserve Banks, and Government accounts. Tenders from others must be accompanied by payment of 5 percent of the face amount of notes applied for.

Payment for accepted tenders must be completed on or before Monday, April 3, 1972, at the Federal Reserve Bank or Branch or at the Office of the Treasurer of the United States in cash or other funds immediately available to the Treasury by that date. Any qualified depository will be permitted to make settlement by credit in its Treasury Tax and Loan Account for the amount of the notes allotted to it for itself and its customers. Where full payment is not completed in funds available by the payment date, the allotment will be canceled and the deposit with the tender up to 5 percent of the amount of notes allotted will be subject to forfeiture to the United States.

Nonbank investors should understand that their checks will constitute payment only if they are fully and finally collected by the payment date Monday, April 3, 1972. Checks not so collected will subject the investor's deposit to forfeiture as set forth in the preceding paragraph. A check payable other than at a Federal Reserve Bank received on the payment date will not constitute immediately available funds on that date. The Treasury will construe as timely payment

any check payable to the Federal Reserve Bank or the Treasurer of the United States that is received at such bank or office by Wednesday, March 29, 1972, provided the check is drawn on a bank in the Federal Reserve District of the bank or office to which the tender is submitted.

Commercial banks are prohibited from making unsecured loans, or loans collateralized in whole or in part by the notes bid for, to cover the deposits required to be paid when tenders are entered, and they will be required to make the usual certification to that effect. Other lenders are requested to refrain from making such loans.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of the notes bid for under this offering at a specific rate or price, until after 1:30 p.m., Eastern Standard Time, Tuesday, March 28, 1972.

Copies of the official circular and tender form for the Treasury notes are enclosed. Subscriptions will be received by this Bank and its Branches at El Paso, Houston and San Antonio up to the closing hour, 12:30 p.m., Central Standard Time, Tuesday, March 28, 1972; however, noncompetitive tenders will be considered timely received if they are mailed under a postmark no later than March 27.

Yours very truly,

P. E. Coldwell

President

Enclosures