

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 74-341
December 16, 1974

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

E R R A T A

Your attention is directed to the following changes that should be made in Treasury Department Circular No. 16-74 concerning the Treasury offering of Notes of Series K-1976.

Section I, "Invitation for Tenders", paragraph 1, should be changed to read:

"1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites tenders on a yield basis for \$2,000,000,000, or thereabouts, of notes of the United States, designated Treasury Notes of Series K-1976. The interest rate for the notes will be determined as set forth in Section III, paragraph 3, hereof. Additional amounts of the notes may be issued by the Secretary of the Treasury to Government accounts and Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities at the average price of accepted tenders. Tenders will be received up to 1:30 p.m., Eastern Standard time, Monday, December 23, 1974, under competitive and noncompetitive bidding, as set forth in Section III hereof. The 5 7/8 percent Treasury Notes of Series F-1974, maturing December 31, 1974, will be accepted at par in payment, in whole or in part, to the extent tenders are allotted by the Treasury."

Section III, "Tenders and Allotments", paragraph 3, should be changed to read:

"3. Immediately after the closing hour tenders will be opened, following which public announcement will be made by the

Department of the Treasury of the amount and yield range of accepted bids. Those submitting competitive tenders will be advised of the acceptance or rejection thereof. In considering the acceptance of tenders, those with the lowest yields will be accepted to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the determination is made as to which tenders are accepted, an interest rate will be established at the nearest $1/8$ of one percent necessary to make the average accepted price 100.00 or less. That will be the rate of interest that will be paid on all of the notes. Based on such interest rate, the price on each competitive tender allotted will be determined and each successful competitive bidder will be required to pay the price corresponding to the yield bid. Price calculations will be carried to three decimal places on the basis of price per hundred, e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, including the right to accept more or less than \$2,000,000,000 offered to the public, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$500,000 or less without stated yield from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive tenders."

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