

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4572]
[February 25, 1958]

TREASURY CASH FINANCING

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The following statement was made public today:

The Treasury Department announced today that the Treasury bond on which the cash subscription books will be open on Friday, February 28, will be dated February 28, 1958, and will bear interest from that date at the rate of 3 percent per annum, and will mature August 15, 1966. The amount of the offering is \$1,250 million or thereabouts, and in addition, up to \$100 million may be allotted to Government Investment Accounts. Interest will be payable on a semiannual basis on August 15, 1958, and thereafter each six months until the bonds become payable. Delivery of the new bonds will be made on March 10. The books will be open only for one day, on February 28.

Subscriptions from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account will be received without deposit but will be restricted in each case to an amount not exceeding 25 percent of the combined capital, surplus and undivided profits of the subscribing bank. A payment of 15 percent of the amount of bonds subscribed for must be made on all other subscriptions, and this payment must be forwarded with the subscriptions in immediately available funds, or by credit in a Treasury Tax and Loan Account of the bank through which the subscription is entered, to the Federal Reserve Bank or Branch, or to the Office of the Treasurer of the United States. Following allotment, any portion of the 15 percent payment in excess of the amount of bonds allotted will be returned to the subscribers. The new bonds may be paid for by credit in Treasury Tax and Loan Accounts.

Commercial banks and other lenders are requested to refrain from making unsecured loans or loans collateralized in whole or in part by the bonds subscribed for, to cover the 15 percent deposits required to be paid when subscriptions are entered.

Any subscription addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight February 28, will be considered as timely.

Circulars and subscription forms will be mailed to reach you by Friday, February 28.

ALFRED HAYES,
President.