

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 4915 ]  
July 25, 1960 ]

**TREASURY FINANCING**

**Refunding of 4 $\frac{3}{4}$  Percent Treasury Notes and 3 $\frac{5}{8}$  Percent FNMA Notes**

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

The following statement was made public today by the Treasury Department:

The holders of \$9.6 billion of 4 $\frac{3}{4}$  percent Treasury notes maturing August 15, 1960, and of \$0.8 billion Federal National Mortgage Association 3 $\frac{5}{8}$  percent notes maturing August 23, 1960, will not be offered preemptive rights to exchange their holdings for new securities to be offered later this week. Both maturing issues will be paid off in cash. Approximately \$4.7 billion of the two maturing issues are publicly held.

The necessary funds will be provided by a new issue, or issues, of direct Treasury obligations offered for cash subscription and by a reduction in the Treasury cash balance. The new issue, or issues, to be offered will aggregate approximately \$9 billion as against the aggregate of \$10.4 billion of securities being paid off.

Subscribers to the new issue, or issues, who hold the maturing securities may, if they wish, deposit them at face value in lieu of any cash down payments required with subscriptions. To the extent subscribers are allotted the new securities, the Treasury will accept the maturing securities in lieu of cash in making final payments. Accrued interest on the FNMA notes will be adjusted as of August 15, the expected delivery date of the new securities.

An announcement of the terms of the new issue, or issues, will be made later this week.

**ALFRED HAYES,**  
*President.*