

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 5144]
February 1, 1962

Treasury to Refund \$11.7 Billion of Notes Maturing in February and April

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 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 are as follows:

(In millions)

\$647.1—3⅝ percent Treasury Notes of Series A-1962, dated May 1, 1957, due February 15, 1962;

\$1,435.0—4 percent Treasury Notes of Series D-1962, dated February 15, 1959, due February 15, 1962;

\$9,098.0—3¼ percent Treasury Notes of Series F-1962, dated November 15, 1960, due February 15, 1962;

\$551.2—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. 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 new 4 percent Treasury notes 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 of Series EA-1962, maturing April 1, 1962, may exchange them for a like face amount of the new 3½ percent Treasury certificates or the new 4 percent Treasury notes. Exchanges of the 1½ percent Treasury Notes of 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:

| 1½% Treasury notes exchanged for | Accrued interest credit per \$1,000 on 1½% note to 3/1/62 | Accrued interest charge per \$1,000 to 3/1/62 | Difference to be paid to subscriber |
|-------------------------------------|--|---|---|
| 3½% Certificate, 2/15/63 | \$6.22253 | \$1.35359 | \$4.86894 |
| 4% Note, 8/15/66 | \$6.22253 | \$1.54696 | \$4.67557 |

Circulars and subscription forms for this offering will be mailed to reach you by Monday, February 5.

ALFRED HAYES,
President.