

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5683]
July 28, 1965]

Treasury Announces August 13 Refunding Terms

*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 today offered to holders of \$7,268 million of $3\frac{7}{8}$ percent Treasury Notes of Series D-1965, dated February 15, 1964, maturing August 13, 1965, a choice between a 4 percent 18-month note and an additional amount of 4 percent bonds maturing February 15, 1969. Public holdings of the maturing securities amount to \$3.2 billion; the remaining \$4.0 billion is held by the Federal Reserve and Government Investment Accounts. The two securities offered in exchange are as follows:

4 percent Treasury Notes of Series C-1967, dated August 13, 1965, and maturing February 15, 1967, at 99.85 (to yield about 4.10 percent); or

An additional amount of 4 percent Treasury Bonds of 1969, dated August 15, 1962, and maturing February 15, 1969, at 99.45 (to yield about 4.17 percent). About \$1,844 million of the 4 percent bonds are now outstanding.

Cash subscriptions for the new securities will not be received.

The books will be open for three days only, on August 2 through August 4, for the receipt of subscriptions. Subscriptions 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, August 4, will be considered timely. The payment and delivery date for the new securities will be August 13, 1965. The new notes and bonds will be made available in registered as well as bearer form. All subscribers requesting registered notes and bonds will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Exchanges of the maturing notes will be made in a like face amount of the new securities as of August 13. Coupons dated August 13, 1965, on the maturing notes should be detached and cashed when due. The final interest due on registered maturing notes will be paid by issue of interest checks in regular course to holders of record on July 13, 1965, the date the transfer books closed. A cash payment will be made to subscribers of \$1.50 per \$1,000 (on account of the issue price) for exchanges for the new note and \$5.72099 per \$1,000 (representing \$5.50 per \$1,000 on account of the issue price of the bonds and \$0.22099 per \$1,000 for accrued interest on the bonds from August 13 to August 15, 1965, because the bonds will be delivered without the August 15, 1965 coupons) for exchanges for the 4 percent bonds.

Interest on the 4 percent notes will be payable on February 15 and August 15, 1966, and February 15, 1967. Interest on the 4 percent bonds will be payable on February 15, 1966, and thereafter on February 15 and August 15 until maturity.

The official offering circulars and subscription forms for the new securities will be mailed to reach you by Monday, August 2.

ALFRED HAYES,
President.