

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the Commodity Credit Corporation

[Circular No. 5841]
July 26, 1966

**Commodity Credit Corporation to Offer New Certificates of Interest
to Holders of Certificates Maturing August 1, 1966**

*To All Incorporated Banks and Trust Companies, and Others
Concerned, in the Second Federal Reserve District:*

The following statement was made public today by the U. S. Department of Agriculture:

The U. S. Department of Agriculture today announced that at maturity date of August 1, 1966, holders of certificates of interest in 1965 crop year loan pools may elect to receive, in lieu of cash, new certificates of interest in a 1966 crop year loan pool in an amount up to the face value of the certificates of interest maturing on August 1, 1966.

The rate of interest payable on certificates of interest issued to banks and other lending institutions participating in the financing of price support loans will be increased from 4.90 to 5.2 per cent per annum, effective August 1, 1966.

The increase is in line with recent changes in the money market and is being made to encourage continued participation by private lenders in the financing of Commodity Credit Corporation loan programs, USDA officials said.

If the holder requests 1966 crop certificates of interest in an amount that is less than the face value of the matured 1965 crop certificates of interest, he will be paid in cash for the difference. All interest earned on the certificates of interest maturing on August 1, 1966 will be paid in cash.

1966 crop certificates of interest will be issued upon presentation of the cotton certificates of interest (Forms CCC 816 and 817) which mature on August 1, 1966, to the New Orleans ASCS Commodity Office, and the grain and related commodities certificates of interest (Forms CCC 514 and 515) which mature August 1, 1966, to the Kansas City ASCS Data Processing Center.

1966 crop certificates issued for 1965 crop certificates will be dated August 1, 1966 and will earn interest from that date. These certificates will mature August 1, 1967, but will be payable upon demand.

This option does not apply to the special certificates of interest sold through competitive bids on April 6, 1966. Such certificates will be redeemed for cash on August 1, 1966.

Notice of appropriate changes in the regulations is expected to be published in the *Federal Register* of July 28, 1966.

ALFRED HAYES,
President.