

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

Circular No. 6478
January 28, 1970

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

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

**TREASURY ANNOUNCES \$6.7 BILLION REFUNDING
OF FEBRUARY 15 AND MARCH 15 MATURITIES**

The Treasury today announced that it is offering holders of the 4% Treasury Bonds of 1970, maturing February 15, 1970, and the 2-1/2% Treasury Bonds of 1965-70, maturing March 15, 1970, the right to exchange their holdings for an 18-month note, 3-1/2-year note, or a 7-year note, at par.

The notes being offered are:

- 8-1/4% Treasury Notes of Series F-1971, dated February 15, 1970, due August 15, 1971,
- 8-1/8% Treasury Notes of Series B-1973, dated February 15, 1970, due August 15, 1973, and
- 8% Treasury Notes of Series A-1977, dated February 15, 1970, due February 15, 1977.

In the case of exchanges of the 2-1/2% bonds interest will be adjusted as of March 15, 1970. The payments due to and from subscribers and the net amounts payable to subscribers tendering 2-1/2% bonds are as follows (per \$1,000 face value):

<i>If exchange is for notes</i>	<i>Payable to subscriber to adjust for market value of bonds</i>	<i>Accrued interest payable</i>		<i>Net amount to be paid to subscriber</i>
		<i>To subscriber - 9/15/69 to 3/15/70 on 2-1/2% bonds</i>	<i>By subscriber - 2/15 to 3/15/70 on new notes</i>	
8-1/4% due 8/15/71	\$ 1.14	\$ 12.50	\$ 6.38122	\$ 7.25878
8-1/8% due 8/15/73	\$ 1.04	\$ 12.50	\$ 6.28453	\$ 7.25547
8% due 2/15/77	\$ 0.95	\$ 12.50	\$ 6.18785	\$ 7.26215

The public holds about \$5.6 billion of the bonds eligible for exchange, and about \$1.1 billion is held by Federal Reserve and Government accounts.

Cash subscriptions for the new notes will not be received.

(Over)

The books will be open for three days only, on February 2 through February 4, for the receipt of subscriptions. Subscriptions must be in an amount of \$1,000 or a multiple thereof and may be paid for only with eligible maturing securities. 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, February 4, will be considered as timely. The payment and delivery date for the notes will be February 16, 1970. The notes will be made available in registered as well as bearer form. All subscribers requesting registered notes will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Coupons dated February 15, 1970, on the bonds maturing on that date should be detached and cashed when due. The February 15, 1970 interest due on registered bonds will be paid by issue of interest checks in regular course to holders of record on January 15, 1970, the date the transfer books closed. Coupons dated March 15, 1970, on the bonds due on that date must be attached.

Interest on the notes due August 15, 1971, will be payable on August 15, 1970, and February 15 and August 15, 1971. Interest on the notes due August 15, 1973, and February 15, 1977, will be payable on August 15, 1970, and thereafter on February 15 and August 15 until maturity.

The official offering circulars and subscription forms for this offering will be mailed to reach you by Monday, February 2; however, if they do not reach you by that date, subscriptions may be entered by telegram or letter, subject to confirmation on the forms provided.

Alfred Hayes,
President.