

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

Circular No. 6618
October 14, 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:

CHANGE OF CLOSING HOUR FOR RECEIVING SUBSCRIPTIONS
TO TREASURY NOTE OFFERINGS

The Treasury Department today called attention to changes it is making in the time its books will be open for subscriptions in future offerings of Treasury notes and bonds.

Until now the practice has been to keep the books open for subscriptions up to midnight of the last day specified in the offering announcement, and to accept subscriptions postmarked before that time.

Under the new practice — which is similar to that now used in accepting tenders for Treasury bills — the subscription books will be open until the day and hour (probably 7:00 p.m. local time) specified in the offering announcement, but to be timely subscriptions must be received by a Federal Reserve Bank or Branch or by the Treasury by the specified time. Subscriptions postmarked before midnight of the preceding day will, however, be deemed to have been received by the specified time.

The Treasury said that the new practice will enable it to know — and to announce — the results of a financing earlier and with greater precision. This knowledge is particularly useful when more than one financing operation may have to be compressed into a limited period of time. This change in procedure will also minimize revisions in the early published results of financing operations — revisions which have resulted in part from mail delays.

In view of the changes in Treasury procedures outlined above, potential subscribers should review their procedures in submitting subscriptions for exchange and cash offerings of Treasury issues to ensure that they will be postmarked in a timely manner or will reach this Bank or its Buffalo Branch before the closing hour on the day the books close.

It is particularly important for subscribers in the Second Federal Reserve District, which customarily have submitted subscriptions for their own and, in the case of banks, for customer accounts by mail, to develop new procedures to conform to the new deadlines. To the extent subscriptions cannot be mailed in time to meet the requirement of a midnight postmark of the day before the closing, subscribers should consider other means of transmitting their subscriptions to arrive at this Bank or its Buffalo Branch before the closing hour. One such means of subscribing would be to use the services of a correspondent bank in New York or Buffalo, which might involve establishing new arrangements for this purpose. Or, in some circumstances, the subscriptions might be sent by courier service, if such a service is used for checks or cash.

In any case, we would urge that subscribers explore the steps to be taken in order to comply with the Treasury's new requirement before the next financing operation commencing later this month.

Alfred Hayes,
President.