

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 7739
October 22, 1975]

TREASURY ANNOUNCES NOVEMBER REFINANCING

*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 will auction to the public \$2.5 billion of 7-year notes, and \$1.0 billion of 24-year 9-month bonds. This will refund \$2.4 billion of notes held by the public maturing November 15, and raise new cash. Additional amounts of the securities may be issued at the average price of accepted tenders to Government accounts and to Federal Reserve Banks, which hold \$0.7 billion of maturing notes, and to foreign and international monetary authorities.

The securities to be auctioned will be:

Treasury Notes of Series C-1982 dated November 17, 1975, due November 15, 1982 (CUSIP No. 912827 FB3) with interest payable on May 15 and November 15. The coupon rate will be determined after tenders are allotted.

An additional amount of 8-3/8% Treasury Bonds of 1995-2000 dated August 15, 1975, due August 15, 2000, callable at the option of the United States on any interest payment date on and after August 15, 1995 (CUSIP No. 912810 BV9) with interest payable on February 15 and August 15.

The notes and bonds will be issued in registered and bearer form in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000, and will be available for issue in book-entry form. Payment for the securities must be made on November 17, 1975. Payment may not be made through tax and loan accounts.

Tenders for the notes will be received up to 1:30 p.m., Eastern Standard time, Wednesday, October 29, and tenders for the bonds will be received up to 1:30 p.m., Eastern Standard time, Thursday, October 30 at any Federal Reserve Bank or Branch and at the Bureau of the Public Debt, Washington, D. C. 20226; provided, however, that noncompetitive tenders will be considered timely received if they are mailed to any such agency under a postmark no later than October 28 for the notes and October 29 for the bonds. Each tender for the notes and bonds must be in the amount of \$1,000 or a multiple thereof. Each tender must state the price offered or yield desired, if a competitive tender, or the term "noncompetitive", if a noncompetitive tender.

Competitive tenders for the notes must be expressed in terms of annual yield in two decimal places, e.g., 7.11, and not in terms of a price. Tenders at the lowest yields, and noncompetitive tenders, will be accepted to the extent required to attain the amount offered. After a determination is made as to which tenders are accepted, a coupon yield will be determined to the nearest 1/8 of 1 percent necessary to make the average accepted price 100.000 or less. That will be the rate of interest that will be paid on all of the notes. Based on such interest rate, the price on each competitive tender allotted will be determined and each successful competitive bidder will pay the price corresponding to the yield bid. Price calculations will be carried to three decimal places on the basis of price per hundred, e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. Tenders at a yield that will produce a price less than 98.501 will not be accepted. Noncompetitive bidders will be required to pay the average price of accepted competitive tenders; the price will be 100.000 or less.

Competitive tenders for the bonds must be expressed in terms of price, in two decimals, e.g., 100.00. Tenders at a price less than 94.01 will not be accepted. Tenders at the highest prices will be accepted to the extent required to attain the amount offered. Successful competitive bidders will be required to pay for the bonds at the price they bid. Noncompetitive bidders will be required to pay the average price of all accepted competitive tenders; the price may be 100.00, or more or less than 100.00.

Fractions may not be used in tenders. The notation "TENDER FOR TREASURY NOTES (OR BONDS)" should be printed at the bottom of envelopes in which tenders are submitted.

(Over)

The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations noncompetitive tenders for \$500,000 or less for each issue will be accepted in full at the average price of accepted competitive tenders.

Commercial banks, which for this purpose are defined as banks accepting demand deposits, and dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, may submit tenders for the account of customers, provided the names of the customers are set forth in such tenders. Others will not be permitted to submit tenders except for their own account.

Tenders will be received without deposit from commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Federal Reserve Banks, and Government accounts. Tenders from others must be accompanied by payment of 5 percent of the face amount of securities applied for. However, bidders who submit checks in payment on tenders submitted directly to a Federal Reserve Bank or the Treasury may find it necessary to submit full payment for the securities with their tenders in order to meet the time limits pertaining to checks as hereinafter set forth. Allotment notices will not be sent to bidders who submit noncompetitive tenders.

Payment for accepted tenders for the notes and bonds must be completed on or before Monday, November 17, 1975, and in the case of the bonds include accrued interest from August 15 to November 17, 1975, in the amount of \$21.39266 per \$1,000 of bonds allotted. Payment must be in cash, 7% Treasury Notes of Series D-1975, which will be accepted at par, in other funds immediately available to the Treasury by the payment date, or by check drawn to the order of the Federal Reserve Bank to which the tender is submitted, or the United States Treasury if the tender is submitted to it, which must be received at such Bank or at the Treasury no later than: (1) Wednesday, November 12, 1975, if the check is drawn on a bank in the Federal Reserve District of the Bank to which the check is submitted, or the Fifth Federal Reserve District in case of the Treasury, or (2) Monday, November 10, 1975, if the check is drawn on a bank in another district. Checks received after the dates set forth in the preceding sentence will not be accepted unless they are payable at a Federal Reserve Bank. Where full payment is not completed on time, the allotment will be canceled and the deposit with the tender up to 5 percent of the amount of securities allotted will be subject to forfeiture to the United States.

The official offering circulars and tender forms will be mailed to you as soon as possible.

PAUL A. VOLCKER,
President.