

FEDERAL RESERVE BANK
OF NEW YORK
Fiscal Agent of the United States

Circular No. 7899
June 21, 1976

AUCTION OF \$2.5 BILLION OF 5-YEAR TREASURY NOTES

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

The following statement was issued June 18 by the Treasury Department:

The Department of the Treasury will auction \$2,500 million of 5-year notes to raise new cash. Additional amounts of the notes may be issued to Federal Reserve Banks as agents of foreign and international monetary authorities at the average price of accepted tenders.

The notes now being offered will be Treasury Notes of Series F-1981 dated July 9, 1976, due August 15, 1981 (CUSIP No. 912827 FT 4) with interest payable on February 15 and August 15, 1977, and thereafter on February 15 and August 15.

The coupon rate will be determined after tenders are allotted. The notes will be issued in registered and bearer form in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000 and they will be available for issue in book-entry form to designated bidders.

Payment for the notes must be made on July 9, 1976. Payment may not be made through tax and loan accounts. Definitive notes in bearer form will not be available on July 9, but will be delivered on or about July 14, 1976. Purchasers of bearer notes may elect to receive interim certificates on July 9, 1976, which shall be bearer securities exchangeable at face value for Treasury Notes of Series F-1981 when available.

Tenders will be received up to 1:30 p.m., Eastern Daylight Saving time, Tuesday, June 29, 1976, 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 June 28. Tenders must be in the amount of \$1,000 or a multiple thereof, and all tenders must state the yield desired, if a competitive tender, or the term "noncompetitive", if a noncompetitive tender. Fractions may not be used in tenders. The notation "TENDER FOR TREASURY NOTES" should be printed at the bottom of envelopes in which tenders are submitted.

Competitive tenders 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 rate will be determined at a 1/8 of one percent increment that translates into an average accepted price close to 100.000 and a lowest accepted price above 98.750. That rate of interest 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. Noncompetitive bidders will be required to pay the average price of all accepted competitive tenders. **BIDDERS SUBMITTING NONCOMPETITIVE TENDERS SHOULD REALIZE THAT IT IS POSSIBLE THAT THE AVERAGE PRICE MAY BE ABOVE PAR, IN WHICH CASE THEY WOULD HAVE TO PAY MORE THAN THE FACE VALUE FOR THE NOTES.**

(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, and all tenders from Government accounts and the Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities, 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 therein. 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 notes 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 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 must be completed on or before Friday, July 9, 1976. Payment must be in cash, 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) Friday, July 2, 1976, 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) Wednesday, June 30, 1976, 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 notes allotted will be subject to forfeiture to the United States.

The official terms of the offering are set forth in Treasury Department Circular No. 16-76, Public Debt Series, dated June 21, 1976, a copy of which will be furnished upon request.

If payment for the notes is made by check, the check should be a certified personal check or an official bank check, payable on its face to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted.*

Telephone inquiries regarding this offering may be made by calling Telephone No. 212-791-5823, 212-791-6616, or 212-791-5465.

PAUL A. VOLCKER,
President.

IMPORTANT—Closing time for receipt of this tender is 1:30 p.m., Tuesday, June 29, 1976.

TENDER FOR TREASURY NOTES OF SERIES F-1981

Dated July 9, 1976

Due August 15, 1981

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York, N. Y. 10045

Dated at.....
....., 19__

The undersigned hereby offers to purchase United States of America Treasury Notes of Series F-1981 in the amount indicated below, and agrees to make payment therefor at your Bank on or before the issue date at the price awarded on this tender.

COMPETITIVE TENDER

Do not fill in both Competitive and Noncompetitive tenders on one form

NONCOMPETITIVE TENDER

\$..... (maturity value)
or any lesser amount that may be awarded.

\$..... (maturity value)
(Not to exceed \$500,000 for one bidder through all sources)
at the average price of accepted competitive bids.

Yield:

(Yield must be expressed with not more than two decimal places, for example, 7.11)

Subject to allotment, please issue, deliver, and accept payment for the securities as indicated below and on the reverse side (if registered securities are desired, please also complete schedule on reverse side):

Pieces	Denominations	Maturity value		
	\$ 1,000		<input type="checkbox"/> 1. Deliver over the counter to the undersigned	Payment will be made as follows: <input type="checkbox"/> By charge to our reserve account <input type="checkbox"/> By cash or check in immediately available funds <input type="checkbox"/> 5. Special instructions.
	5,000		<input type="checkbox"/> 2. Ship to the undersigned	
	10,000		<input type="checkbox"/> 3. Hold in safekeeping (for member bank only) in— <input type="checkbox"/> Investment Account <input type="checkbox"/> General Account <input type="checkbox"/> Trust Account	
	100,000		<input type="checkbox"/> 4. Hold as collateral for Treasury Tax and Loan Account*	
	1,000,000			
	Totals		<i>(No changes on delivery instructions will be accepted)</i>	

*The undersigned certifies that the allotted securities will be owned solely by the undersigned.

(If a commercial bank or dealer is subscribing for its own account or for account of customers, the following certifications are made a part of this tender.)

WE HEREBY CERTIFY that we have received tenders from our customers in the amounts set forth opposite the customers' names on the list which is made a part of this tender, and that we have either received and are holding for the Treasury or we guarantee payment to the Treasury of deposits stipulated in the official offering circular.

WE FURTHER CERTIFY that tenders received by us, if any, from other commercial banks for their own account and for the account of their customers have been entered with us under the same conditions, agreements, and certifications as set forth in this form.

Insert this tender in special envelope marked "Tender for Treasury Notes or Bonds"

.....
(Name of subscriber—please print or type)

..... (Address—incl. City and State) (Tel. No.)

.....
(Signature of subscriber or authorized signature)

.....
(Title of authorized signer)

(Institutions submitting tenders for customer account must list customers' names on lines below or on an attached rider)

..... (Name of Customer) (Name of Customer)

INSTRUCTIONS:

- No tender for less than \$1,000 will be considered; and each tender must be for a multiple of \$1,000 (maturity value).
- Only banking institutions, and dealers who make primary markets in Government securities and report daily to this Bank their positions with respect to Government securities and borrowings thereon, may submit tenders for customer account; in doing so, they may consolidate competitive tenders at the same yield and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder and the amount bid for his account. 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, and Government accounts. Tenders from others must be accompanied by payment of 5 percent of the face amount of the securities applied for. All checks must be drawn to the order of the Federal Reserve Bank of New York; checks endorsed to this Bank will not be accepted.
- If the language of this tender is changed in any respect that, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

PRIVACY ACT STATEMENT

The individually identifiable information required on this form is necessary to permit the subscription to be processed and the securities to be issued. If registered securities are requested, the regulations governing United States securities (Department Circular No. 300) and the offering circular require submission of social security numbers; the numbers and other information are used in inscribing the securities and establishing and servicing the ownership and interest records. The transaction will not be completed unless all required data is furnished.

SCHEDULE FOR ISSUE OF REGISTERED TREASURY NOTES OF SERIES F-1981

SUBSCRIBER _____
 SIGNATURE _____
 ADDRESS _____

 _____ ZIP _____

DELIVERY INSTRUCTIONS
 DELIVER OVER THE COUNTER
 SHIP TO SUBSCRIBER
 OTHER INSTRUCTIONS:

PAYMENT INSTRUCTIONS
 BY CHARGE TO OUR RESERVE ACCOUNT
 BY CASH OR CHECK IN IMMEDIATELY AVAILABLE FUNDS

SUBSCRIPTION NO.

FOR FRB USE ONLY	
TRANS. ACCOUNTING DATE	
ISSUE AGENT 12	LOAN CODE
July 9, 1976 INTEREST COMP. DATE	110-01

REGISTRATION INSTRUCTIONS	NO. OF PIECES	DENOM.	AMOUNT	SERIAL NOS. (LEAVE BLANK)	FOR FRB USE ONLY
NAME(S)	30	1,000			
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.