

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

Circular No. 7944
August 26, 1976

TREASURY TO AUCTION 4-YEAR NOTES

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

The following statement was issued August 25 by the Treasury Department:

The Department of the Treasury will auction \$2,000 million of 4-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.

Printed on the reverse side is a table summarizing the highlights of the offering. Copies of the official offering circular will be furnished upon request.

Bidders submitting noncompetitive tenders for the notes 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 securities.

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.

Enclosed is a copy of the form to be used in submitting tenders. If there is any doubt that tenders sent by mail will reach this Bank or its Branch in time, bidders should use other means of transmitting their tenders.

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.

(Over)

UNITED STATES OF AMERICA

TREASURY NOTES OF SERIES E-1980

Dated and bearing interest from September 14, 1976

Due September 30, 1980

DEPARTMENT CIRCULAR
Public Debt Series No. 22-76

DEPARTMENT OF THE TREASURY,
Office of the Secretary,
Washington, August 25, 1976.

I. INVITATION FOR TENDERS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites tenders on a yield basis for \$2,000,000,000, or thereabouts, of notes of the United States, designated Treasury Notes of Series E-1980 (CUSIP No. 912827 FY 3). The interest rate for the notes will be determined as set forth in Section III, paragraph 3, hereof. Additional amounts of these notes may be issued at the average price of accepted tenders to Government accounts and to Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities. Tenders will be received up to 1:30 p.m., Eastern Daylight Saving time, Tuesday, August 31, 1976, under competitive and noncompetitive bidding as set forth in Section III hereof.

II. DESCRIPTION OF NOTES

1. The notes will be dated September 14, 1976, and will bear interest from that date, payable on a semi-annual basis on March 31 and September 30, 1977, and thereafter on March 31 and September 30 in each year until the principal amount becomes payable. They will mature September 30, 1980, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Book-entry notes will be available to eligible bidders in multiples of those amounts. Interchanges of notes of different denomina-

tions and of coupon and registered notes, and the transfer of registered notes will be permitted.

5. The notes will be subject to the general regulations of the Department of the Treasury, now or hereafter prescribed, governing United States notes.

III. TENDERS AND ALLOTMENTS

1. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. 20226, up to the closing hour, 1:30 p.m., Eastern Daylight Saving time, Tuesday, August 31, 1976. Each tender must state the face amount of notes bid for, which must be \$1,000 or a multiple thereof, and the yield desired, except that in the case of noncompetitive tenders the term "noncompetitive" should be used in lieu of a yield. In the case of competitive tenders, the yield must be expressed in terms of an annual yield, with two decimals, e.g., 7.11. Fractions may not be used. Noncompetitive tenders from any one bidder may not exceed \$500,000.

2. 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 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 banking institutions 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 notes applied for.

(Over)

3. Immediately after the closing hour tenders will be opened, following which public announcement will be made by the Department of the Treasury of the amount and yield range of accepted bids. Those submitting competitive tenders will be advised of the acceptance or rejection thereof. In considering the acceptance of tenders, those with the lowest yields will be accepted to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the 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 99.000. 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 be required to 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. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, including the right to accept tenders for more or less than the \$2,000,000,000 of notes offered, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$500,000 or less without stated yield from any one bidder will be accepted in full at the average price¹ (in three decimals) of accepted competitive tenders.

IV. PAYMENT

1. Settlement for accepted tenders in accordance with the bids must be made or completed on or before September 14, 1976, at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, Washington, D.C. 20226. Payment must be in cash, in other funds immediately available to the Treasury by September 14, 1976, or by check drawn to the order of the Federal Reserve Bank to which the tender is submitted, or the

¹Average price may be at, or more or less than 100.000.

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) Thursday, September 9, 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 the case of the Treasury, or (2) Tuesday, September 7, 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. Payment will not be deemed to have been completed where registered notes are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security number or an employer identification number) is not furnished. In every case where full payment is not completed, the payment with the tender up to 5 percent of the amount of notes allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive tenders, to make such allotments as may be prescribed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and make delivery of notes on full-paid tenders allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

EDWIN H. YEO, III

Acting Secretary of the Treasury.

TENDER FOR TREASURY NOTES OF SERIES E-1980

Dated September 14, 1976

Due September 30, 1980

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 E-1980 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 <input type="checkbox"/> 2. Ship to the undersigned <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 <input type="checkbox"/> 4. Hold as collateral for Treasury Tax and Loan Account* (No changes on delivery instructions will be accepted)
	5,000		
	10,000		
	100,000		
	1,000,000		
	Totals		

Payment will be made as follows:
 By charge to our reserve account
 By cash or check in immediately available funds
 5. Special instructions.

*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.
- Payment must be completed by September 14, 1976. If payment is by check drawn on a bank in this District, it must be received by September 9, 1976; checks drawn on a bank in another District must be received by September 7, 1976. 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.

(OVER)

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 E-1980

SUBSCRIPTION NO.

FOR FRB USE ONLY	
TRANS. ACCOUNTING DATE	LOAN CODE
ISSUE AGENT 12	
SEPT. 14, 1976	110-01
INTEREST COMP. DATE	

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

SUBSCRIBER _____
 SIGNATURE _____
 ADDRESS _____ ZIP _____

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