

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

Circular No. 7957
September 17, 1976

TREASURY TO AUCTION \$2,500 MILLION OF 5-YEAR NOTES

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

The following statement was issued September 16 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.

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)

**HIGHLIGHTS OF TREASURY
OFFERING TO THE PUBLIC
OF 5-YEAR NOTES (Series G-1981)
TO BE ISSUED OCTOBER 12, 1976**

Amount Offered:

To the public \$2,500 million

Description of Security:

Term and type of security 5-year notes (CUSIP No. 912827 GA4)
Maturity date November 15, 1981
Call date No provision
Interest coupon rate To be determined, based on the
average of accepted bids
Investment yield To be determined at auction
Premium or discount To be determined after auction
Interest payment dates May 15 and November 15
(first payment on May 15, 1977)
Minimum denomination available \$1,000

Terms of Sale:

Method of sale Yield auction
Accrued interest payable by investor None
Preferred allotment Noncompetitive bid for \$500,000
or less
Deposit requirement 5% of face amount
Deposit guarantee by designated institutions Acceptable

Key Dates:

Deadline for receipt of tenders Tuesday, September 28, 1976
by 1:30 p.m., EDST
Settlement date (final payment due)
a) Cash or Federal funds Tuesday, October 12, 1976
b) Check drawn on bank within FRB district where submitted Thursday, October 7, 1976
c) Check drawn on bank outside FRB district where submitted Wednesday, October 6, 1976
Delivery date for coupon securities Tuesday, October 12, 1976

UNITED STATES OF AMERICA

TREASURY NOTES OF SERIES G-1981

Dated and bearing interest from October 12, 1976

Due November 15, 1981

DEPARTMENT CIRCULAR
Public Debt Series No. 24-76

DEPARTMENT OF THE TREASURY,

Office of the Secretary,
Washington, September 17, 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 \$2,500,000,000, or thereabouts, of notes of the United States, designated Treasury Notes of Series G-1981 (CUSIP No. 912827 GA 4). 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, September 28, 1976, under competitive and noncompetitive bidding, as set forth in Section III hereof.

II. DESCRIPTION OF NOTES

1. The notes will be dated October 12, 1976, and will bear interest from that date, payable on a semiannual basis on May 15 and November 15, 1977, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1981, 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 denominations 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, September 28, 1976. Noncompetitive tenders will be considered timely if postmarked no later than Monday, September 27. 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 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 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 \$2,500,000,000 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.

4. If the interest rate determined in accordance with this circular is identical to the rate on an outstanding issue of United States notes, and the terms and conditions of such outstanding issue are otherwise identical to terms and conditions of the securities offered herein, this invitation shall be deemed to be an invitation for an additional amount of the outstanding securities and this circular will be amended accordingly. Payment for the securities in that event will be calculated on the basis of the auction price determined in accordance with this circular plus accrued interest from the last preceding interest payment date on the outstanding securities.

IV. PAYMENT

1. Settlement for accepted tenders in accordance with the bids must be made or completed on or before

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

October 12, 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 October 12, 1976, 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) Thursday, October 7, 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) Wednesday, October 6, 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.

GEORGE H. DIXON,
Acting Secretary of the Treasury.

TENDER FOR TREASURY NOTES OF SERIES G-1981

Dated October 12, 1976

Due November 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 G-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.

Yield:

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

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

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		(No changes on delivery instructions will be accepted)	
	Totals			

*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 October 12, 1976. If payment is by check drawn on a bank in this District, it must be received by October 7, 1976; checks drawn on a bank in another District must be received by October 6, 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)

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

SUBSCRIPTION NO.

FOR FRB USE ONLY

FOR FRB USE ONLY

TRANS. ACCOUNTING DATE

ISSUE AGENT 12

LOAN CODE

OCT. 12, 1976

INTEREST COMP. DATE

110-01

SUBSCRIBER

SIGNATURE

ADDRESS

ZIP

DELIVERY INSTRUCTIONS

PAYMENT INSTRUCTIONS

☐ DELIVER OVER THE COUNTER

☐ SHIP TO SUBSCRIBER

☐ OTHER INSTRUCTIONS:

☐ BY CHARGE TO OUR RESERVE ACCOUNT

☐ BY CASH OR CHECK

IN IMMEDIATELY AVAILABLE FUNDS

REGISTRATION INSTRUCTIONS					INTEREST COMP. DATE		110-01	
FOR FRB USE ONLY								
NAME(S)		NO. OF PIECES	DENOM.	AMOUNT	SERIAL NOS. (LEAVE BLANK)			
		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					
NAME(S)		30	1,000			TR. CASE NO.		
		32	5,000					
ID OR S.S. NO.		34	10,000					
ADDRESS		38	100,000					
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	ZIP	99	TOTAL					
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