

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 7971
October 15, 1976]

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

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

The following statement was issued today by the Treasury Department:

The Department of the Treasury will auction \$2,500 million of 2-year notes to refund \$1,481 million of notes held by the public maturing October 31, 1976, and to raise \$1,019 million new cash. Additional amounts of these notes may be issued at the average price of accepted tenders to Government accounts and to Federal Reserve Banks for their own account in exchange for \$98 million maturing notes held by them, and to Federal Reserve Banks as agents of foreign and international monetary authorities for new cash only.

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.

If there is any doubt that tenders sent by mail will reach this Bank or its Branch by October 21, bidders should use other means of transmitting their tenders. The tender form will be mailed to you on Monday.

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 2-YEAR NOTES
TO BE ISSUED NOVEMBER 1, 1976**

Amount Offered:

To the public \$2,500 million

Description of Security:

Term and type of security 2-year notes
 Series and CUSIP designation Series S-1978
 (CUSIP No. 912827 GB2)
 Maturity date October 31, 1978
 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 April 30 and October 31
 Minimum denomination available \$5,000

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 Thursday, October 21, 1976,
 by 1:30 p.m., EDST
 Settlement date (final payment due)
 a) Cash or Federal funds Monday, November 1, 1976
 b) Check drawn on bank within FRB district where submitted Wednesday, October 27, 1976
 c) Check drawn on bank outside FRB district where submitted Monday, October 25, 1976
 Delivery date for coupon securities Monday, November 1, 1976