

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

Circular No. 8054
February 16, 1977

TREASURY TO AUCTION \$2,250 MILLION OF 4-YEAR 1-MONTH NOTES

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

The following statement was issued yesterday by the Treasury Department:

The Department of the Treasury will auction \$2,250 million of 4-year 1-month 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 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 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 on time, bidders should use other means of transmitting their tenders.

A recorded message (at the Head Office — Tel. No. 212-791-5823; at the Buffalo Branch — Tel. No. 716-849-5046) provides information about this and other Treasury offerings; additional inquiries regarding this offering may be made by calling, at the Head Office, Telephone No. 212-791-6619 or 212-791-5465, or, at the Buffalo Branch, Tel. No. 716-849-5016.

PAUL A. VOLCKER,
President.

(Over)

**HIGHLIGHTS OF TREASURY
OFFERING TO THE PUBLIC
OF 4-YEAR 1-MONTH NOTES
TO BE ISSUED MARCH 8, 1977**

Amount Offered:

To the public \$2,250 million

Description of Security:

Term and type of security 4-year 1-month notes

Series and CUSIP designation Series H-1981
(CUSIP No. 912827 GN6)

Maturity date March 31, 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 September 30 and March 31
(first payment on September 30, 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 \$1,000,000
or less

Deposit requirement 5% of face amount

Deposit guarantee by designated institutions Acceptable

Key Dates:

Deadline for receipt of tenders Wednesday, February 23, 1977
by 1:30 p.m., EST

Settlement date (final payment due)

a) Cash or Federal funds Tuesday, March 8, 1977

b) Check drawn on bank within FRB district where submitted Thursday, March 3, 1977

c) Check drawn on bank outside FRB district where submitted Wednesday, March 2, 1977

Delivery date for coupon securities Tuesday, March 8, 1977

(1977)

UNITED STATES OF AMERICA

TREASURY NOTES OF MARCH 31, 1981
SERIES H-1981

DEPARTMENT CIRCULAR
Public Debt Series - No. 6-77

DEPARTMENT OF THE TREASURY,
Office of the Secretary,
Washington, February 16, 1977.

1. INVITATION FOR TENDERS

1.1 The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites tenders for \$2,250,000,000, or thereabouts, of securities of the United States, designated Treasury Notes of March 31, 1981, Series H-1981 (CUSIP No. 912827 GN6). The securities will be sold at auction with bidding on the basis of yield. Payment will be required at the price equivalent of the bid yield of each accepted tender. The interest rate on the securities and the price equivalent of each accepted bid will be determined as set forth below. Additional amounts of these securities may be issued to Federal Reserve Banks as agents of foreign and international monetary authorities.

2. DESCRIPTION OF SECURITIES

2.1 The securities will be dated March 8, 1977, and will bear interest from that date, payable on a semi-annual basis on September 30, 1977, and each 6 months thereafter on March 31 and September 30 until the principal becomes payable. They will mature March 31, 1981, and will not be subject to call for redemption prior to maturity.

2.2 The income derived from the securities is subject to all taxes imposed under the Internal Revenue Code of 1954. The securities 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.

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

2.4 Bearer securities with interest coupons attached, and securities 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 securities will be available to eligible bidders in multiples of those amounts. Interchanges of securities of different denominations and of coupon, registered and book-entry securities, and the transfer of registered securities will be permitted.

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

3. SALE PROCEDURES

3.1 Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. 20226, up to 1:30 p.m., Eastern Standard time, Wednesday, February 23, 1977. Non-competitive tenders, as defined below, will be considered timely if postmarked no later than Tuesday, February 22, 1977.

3.2 Each tender must state the face amount of securities bid for, which must be \$1,000 or a multiple thereof. Competitive tenders must also show the yield desired, expressed in terms of an annual yield with two decimals, e.g., 7.11%. Common fractions may not be used. Noncompetitive tenders must show the term "non-competitive" on the tender form in lieu of a specified yield. No bidder may submit more than one noncompetitive tender, and the amount may not exceed \$1,000,000.

3.3 Commercial banks, which for this purpose are defined as banks accepting demand deposits, and primary dealers, which for this purpose are defined as 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 and the amount for each customer are furnished. Others will not be permitted to submit tenders except for their own account.

3.4 Tenders will be received without deposit for their own account from commercial banks and other banking institutions; primary dealers, as defined above; Federally-insured savings and loan associations; States and 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; Federal Reserve Banks; and Government accounts. Tenders from others must be accompanied by a deposit of 5% of the face amount of securities applied for (in the form of cash, maturing Treasury securities or readily collectible checks), or by a guarantee of such deposit by a commercial bank or a primary dealer.

3.5 Immediately after the closing hour, tenders will be opened, following which public announcement will be made of the amount and yield range of accepted bids. Subject to the reservations expressed in Section 4, noncompetitive tenders will be accepted in full at the

average price (in three decimals) of accepted competitive tenders, and competitive tenders 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 the original issue discount limit of 99.000. That rate of interest will be paid on all of the securities. 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 equivalent 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. If the amount of noncompetitive tenders received would absorb all or most of the offering, competitive tenders will be accepted in an amount sufficient to provide a fair determination of yield. Tenders received from Government accounts and Federal Reserve Banks will be accepted at the average price of accepted competitive tenders.

3.6 Those submitting competitive tenders will be advised of the acceptance or rejection thereof. Those submitting noncompetitive tenders will not be notified except when the tender is not accepted in full or when the price is over par.

4. RESERVATIONS

4.1 The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, to allot more or less than the amount of securities specified in Section 1, and to make different percentage allotments to various classes of applicants when he deems it to be in the public interest, and the Secretary's action in any such respect shall be final.

5. PAYMENT AND DELIVERY

5.1 Settlement for securities allotted hereunder must be made or completed on or before Tuesday, March 8, 1977, at the Federal Reserve Bank or Branch, or the Bureau of the Public Debt, wherever the tender was submitted. Payment must be in cash; in other funds immediately available to the Treasury; in Treasury bills, notes or bonds (with all coupons detached) maturing on or before the settlement date but which are not overdue as defined in the general regulations governing United States securities; or by check drawn to the order of the institution to which the tender was submitted, which must be received at such institution no later than:

(a) Thursday, March 3, 1977, if the check is drawn on a bank in the Federal Reserve District of the institution to which the check is submitted (the Fifth Federal Reserve District in case of the Bureau of the Public Debt), or

(b) Wednesday, March 2, 1977, if the check is drawn on a bank in another Federal Reserve District.

Checks received after the dates set forth in the preceding sentence will not be accepted unless they are payable at the applicable Federal Reserve Bank. Payment will not be deemed to have been completed where registered securities are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individ-

ual's social security number or an employer identification number) is not furnished. When payment is made in securities, a cash adjustment will be made to or required of the bidder for any difference between the face amount of securities presented and the amount payable on the securities allotted.

5.2 In every case where full payment is not completed on time, the deposit submitted with the tender, up to 5 percent of the face amount of securities allotted, shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States.

5.3 Registered securities tendered as deposits and in payment for securities allotted hereunder are not required to be assigned if the new securities are to be registered in the same names and forms as appear in the registrations or assignments of the securities surrendered. Specific instructions for the issuance and delivery of the new securities, signed by the owner or his authorized representative, must accompany the securities presented. Otherwise, the presented securities should be assigned by the registered payees or assignees thereof in accordance with the general regulations governing United States securities, as hereinafter set forth. When the new securities are to be registered in names and forms different from those in the inscriptions or assignments of the securities presented, the assignment should be to "The Secretary of the Treasury for (securities offered herein) in the name of (name and taxpayer identifying number)." If new securities in coupon form are desired, the assignment should be to "The Secretary of the Treasury for coupon (securities offered herein) to be delivered to (name and address)." Securities tendered in payment should be surrendered to the Federal Reserve Bank or Branch or to the Bureau of the Public Debt, Washington, D.C. 20226. The securities must be delivered at the expense and risk of the holder.

5.4 If bearer securities are not ready for delivery on the settlement date, purchasers may elect to receive interim certificates. These certificates shall be issued in bearer form and shall be exchangeable for the securities offered herein, when such securities are available, at any Federal Reserve Bank or Branch, or at the Bureau of the Public Debt, Washington, D.C. 20226. The interim certificates must be returned at the risk and expense of the holder.

5.5 Delivery of securities in registered form will be made after the requested form of registration has been validated, the registered interest account has been established, and the securities have been inscribed.

6. GENERAL PROVISIONS

6.1 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 securities on full-paid allotments, and to issue interim certificates pending delivery of the definitive securities.

6.2 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.

W. MICHAEL BLUMENTHAL,
Secretary of the Treasury.

IMPORTANT — Closing time for receipt of this tender is 1:30 p.m., Wednesday, February 23, 1977

TENDER FOR TREASURY NOTES OF SERIES H-1981

Dated March 8, 1977

Due March 31, 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 H-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 \$1,000,000 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):

Table with columns: Pieces, Denomination, Maturity value. Includes checkboxes for delivery methods (1-4) and payment options (1-5). Denominations: \$ 1,000, 5,000, 10,000, 100,000, 1,000,000, 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"

Form fields for subscriber information: (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)

Form fields for customer names: (Name of customer), (Name of customer)

INSTRUCTIONS:

- 1. No tender for less than \$1,000 will be considered; and each tender must be for a multiple of \$1,000 (maturity value).
2. Only banking institutions, and dealers who make primary markets in 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.
3. 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.
4. Payment must be completed by March 8, 1977. If payment is by check drawn on a bank in this District, it must be received by March 3, 1977; checks drawn on a bank in another District must be received by March 2, 1977. 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.
5. 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 H-1981

SUBSCRIPTION NO.

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
- BY SURRENDER OF MATURING SECURITIES

FOR FRB USE ONLY

TRANS. ACCOUNTING DATE

ISSUE AGENT 12 LOAN CODE

MARCH 8, 1977 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.