

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

Circular No. 8973
December 11, 1980

TREASURY TO AUCTION 2-YEAR AND 4-YEAR NOTES
TOTALING \$7,750 MILLION

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 \$4,500 million of 2-year notes and \$3,250 million of 4-year notes to refund \$5,661 million of notes maturing December 31, 1980, and to raise \$2,089 million new cash. The \$5,661 million of maturing notes are those held by the public, including \$724 million of maturing 2-year notes and \$352 million of maturing 4-year notes currently held by Federal Reserve Banks as agents for foreign and international monetary authorities.

In addition to the public holdings, Government accounts and Federal Reserve Banks, for their own accounts, hold \$577 million of the maturing notes that may be refunded by issuing additional amounts of the new notes at the average prices of accepted competitive tenders. Additional amounts of the new securities may also be issued at the average prices to Federal Reserve Banks, as agents for foreign and international monetary authorities, to the extent that their aggregate tenders for each of the new notes exceed their aggregate holdings of each of the maturing notes.

Printed on the reverse side is a table summarizing the highlights of the offerings. Copies of the official offering circulars will be furnished upon request directed to our Government Bond Division (Tel. No. 212-791-6619). In addition, enclosed are copies of the forms to be used in submitting tenders.

This Bank will receive tenders at the Securities Department of its Head Office and at its Buffalo Branch up to 1:30 p.m., Eastern Standard time, on the dates specified on the reverse side of this circular as the deadlines for receipt of tenders. *All competitive tenders*, whether transmitted by mail or by other means, must reach this Bank or its Branch by that time on the specified dates. However, for investors who wish to submit noncompetitive tenders and who find it more convenient to mail their tenders than to present them in person, the official offering circular for each offering provides that *noncompetitive* tenders will be considered timely received if they are mailed to this Bank or its Branch under a postmark no later than the date preceding the date specified for receipt of 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 securities.

Payment with a tender may be in the form of a personal check, which need not be certified, an official bank check, or a Federal funds check (a check drawn by a depository institution on its Federal Reserve account). All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted*. Payment may also be made in cash or in Treasury securities maturing on or before the issue date of the securities being purchased.

Recorded messages provide information about Treasury offerings and about auction results: at the Head Office — Tel. No. 212-791-7773 (offerings) and Tel. No. 212-791-5823 (results); at the Buffalo Branch — Tel. No. 716-849-5046. Additional inquiries regarding this offering may be made by calling, at the Head Office, Tel. No. 212-791-6619, or, at the Buffalo Branch, Tel. No. 716-849-5016.

ANTHONY M. SOLOMON,
President.

(Over)

**HIGHLIGHTS OF TREASURY
OFFERINGS TO THE PUBLIC
OF 2-YEAR AND 4-YEAR NOTES
TO BE ISSUED DECEMBER 31, 1980**

	<u>2-Year Notes</u>	<u>4-Year Notes</u>
Amount Offered:		
To the public	\$4,500 million	\$3,250 million
Description of Security:		
Term and type of security	2-year notes	4-year notes
Series and CUSIP designation	Series Z-1982 (CUSIP No. 912827 LJ9)	Series H-1984 (CUSIP No. 912827 LK6)
Maturity date	December 31, 1982	December 31, 1984
Call date	No provision	No provision
Interest coupon rate	To be determined, based on the average of accepted bids	To be determined, based on the average of accepted bids
Investment yield	To be determined at auction	To be determined at auction
Premium or discount	To be determined after auction	To be determined after auction
Interest payment dates	June 30 and December 31	June 30 and December 31
Minimum denomination available	\$5,000	\$1,000
Terms of Sale:		
Method of sale	Yield auction	Yield auction
Accrued interest payable by investor	None	None
Preferred allotment	Noncompetitive bid for \$1,000,000 or less	Noncompetitive bid for \$1,000,000 or less
Payment by non- institutional investors	Full payment to be submitted with tender	Full payment to be submitted with tender
Deposit guarantee by designated institutions	Acceptable	Acceptable
Key Dates:		
Deadline for receipt of tenders	Tuesday, December 16, 1980, by 1:30 p.m., EST	Thursday, December 18, 1980, by 1:30 p.m., EST
Settlement date (final payment due from institutions)		
a) cash or Federal funds	Wednesday, December 31, 1980	Wednesday, December 31, 1980
b) readily collectible check	Monday, December 29, 1980	Monday, December 29, 1980
Delivery date for coupon securities	Friday, January 9, 1981	Tuesday, January 13, 1981