

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

Circular No. 9738
October 5, 1984

**TREASURY TO AUCTION \$9,500 MILLION
OF 7-YEAR NOTES AND 20-YEAR 1-MONTH BONDS**

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

The following is quoted from a statement issued yesterday by the Treasury Department:

The Department of the Treasury will auction \$5,500 million of 7-year notes and \$4,000 million of 20-year 1-month bonds to raise new cash. Additional amounts of the securities may be issued to Federal Reserve Banks as agents for foreign and international monetary authorities at the average price of accepted competitive tenders.

Previously, Treasury announced its intention to test the market for a 5-year call feature on a 20-year bond. Current market conditions would not provide an appropriate test, and this issue will not be callable.

The Treasury will postpone the auctions unless it has assurance of Congressional action on legislation to raise the debt ceiling before the scheduled auction dates.

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 on the dates and times 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 made in cash, by check, in Treasury securities maturing on or before the issue date of the securities being purchased, by a charge to an institution's reserve account at this Bank, or, in the case of Treasury Tax and Loan Note Option Depositories, by credit to a Treasury Tax and Loan Note Account. Payment by check must be in the form of an official bank check, a Federal funds check (a check drawn by a depository institution on its Federal Reserve account), or a personal check, which need not be certified. All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted.*

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 7-YEAR NOTES AND 20-YEAR 1-MONTH BONDS

	<u>7-Year Notes</u>	<u>20-Year 1-Month Bonds</u>
Amount Offered:		
To the public	\$5,500 million	\$4,000 million
Description of Security:		
Term and type of security	7-year notes	20-year 1-month bonds
Series and CUSIP designation	Series G-1991 (CUSIP No. 912827 RG9)	Bonds of 2004 (CUSIP No. 912810 DM7)
Issue date	October 17, 1984	October 18, 1984
Maturity date	October 15, 1991	November 15, 2004
Call date	No provision	No provision
Interest 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	April 15 and October 15 (first payment on April 15, 1985)	May 15 and November 15 (first payment on May 15, 1985)
Minimum denomination available	\$1,000	\$1,000
Terms of Sale:		
Method of sale	Yield auction	Yield auction
Competitive tenders	Must be expressed as an annual yield, with two decimals, e.g., 7.10%	Must be expressed as an annual yield, with two decimals, e.g., 7.10%
Noncompetitive tenders	Accepted in full at the average price up to \$1,000,000	Accepted in full at the average price up to \$1,000,000
Accrued interest payable by investor	None	None
Payment through Treasury Tax and Loan (TT&L) Note Accounts	Acceptable for TT&L Note Option Depositories	Acceptable for TT&L Note Option Depositories
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:		
Receipt of tenders	Wednesday, October 10, 1984, prior to 1:00 p.m., EDST	Thursday, October 11, 1984, prior to 1:00 p.m., EDST
Settlement (final payment due from institutions)		
a) cash or Federal funds	Wednesday, October 17, 1984	Thursday, October 18, 1984
b) readily collectible check	Monday, October 15, 1984	Tuesday, October 16, 1984