

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

Circular No. 9740
October 11, 1984

TREASURY TO AUCTION \$8,800 MILLION OF 2-YEAR NOTES

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

The following statement was issued by the Treasury Department:

The Department of the Treasury will auction \$8,800 million of 2-year notes to refund \$7,361 million of 2-year notes maturing October 31, 1984, and to raise \$1,450 million new cash. *The additional \$1,450 million of new cash to be raised is based on the assumption that Congress will have completed action to increase the debt limit.* The \$7,361 million of maturing 2-year notes are those held by the public, including \$1,314 million currently held by Federal Reserve Banks as agents for foreign and international monetary authorities.

The \$8,800 million is being offered to the public, and any amounts tendered by Federal Reserve Banks as agents for foreign and international monetary authorities will be added to that amount. Tenders for such accounts will be accepted at the average price of accepted competitive tenders.

In addition to the public holdings, Government accounts and Federal Reserve Banks, for their own accounts, hold \$529 million of the maturing securities that may be refunded by issuing additional amounts of the new notes at the average price of accepted competitive 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 directed to our Government Bond Division (Tel. No. 212-791-6619).

Enclosed is a copy of a standard form for your use in submitting tenders for this offering.

This Bank will receive tenders prior to 1:00 p.m., Eastern Daylight Saving time, Wednesday, October 17, 1984, at the Securities Department of its Head Office and at its Buffalo Branch. *All competitive tenders*, whether transmitted by mail or by other means, must reach this Bank or its Branch by that time. 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 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 October 16*.

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
OFFERING TO THE PUBLIC
OF 2-YEAR NOTES
TO BE ISSUED OCTOBER 31, 1984**

Amount Offered:

To the public \$8,800 million

Description of Security:

Term and type of security 2-year notes
 Series and CUSIP designation Series Z-1986
 (CUSIP No. 912827 RK0)
 Maturity date October 31, 1986
 Call date No provision
 Interest 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
 Competitive tenders 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
 Accrued interest payable by investor None
 Payment by non-institutional investors **Full payment to be submitted
 with tender**
 Payment through Treasury Tax and Loan (TT&L)
 Note Accounts Acceptable for TT&L Note
 Option Depositories
 Deposit guarantee by designated institutions Acceptable

Key Dates:

Receipt of tenders Wednesday, October 17, 1984,
 prior to 1:00 p.m., EDST
 Settlement (final payment due from institutions)
 a) cash or Federal funds Wednesday, October 31, 1984
 b) readily collectible check Monday, October 29, 1984