

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

Circular No. 9858  
May 16, 1985

**TREASURY TO AUCTION \$9,000 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 \$9,000 million of 2-year notes to refund \$8,141 million of 2-year notes maturing May 31, 1985, and to raise about \$850 million new cash. The \$8,141 million of maturing 2-year notes are those held by the public, including \$531 million currently held by Federal Reserve Banks as agents for foreign and international monetary authorities.

The \$9,000 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 \$540 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, May 22, 1985, 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 May 21*.

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. 716-849-5158 (offerings) and Tel. No. 716-849-5046 (results). 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.

E. GERALD CORRIGAN,  
*President.*

(Over)

**HIGHLIGHTS OF TREASURY  
OFFERING TO THE PUBLIC  
OF 2-YEAR NOTES  
TO BE ISSUED MAY 31, 1985**

**Amount Offered:**

To the public ..... \$9,000 million

**Description of Security:**

Term and type of security ..... 2-year notes  
 Series and CUSIP designation ..... Series V-1987  
 (CUSIP No. 912827 SF0)  
 Maturity date ..... May 31, 1987  
 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 ..... November 30 and May 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, May 22, 1985,  
 prior to 1:00 p.m., EDST  
 Settlement (final payment due from institutions)  
 a) cash or Federal funds ..... Friday, May 31, 1985  
 b) readily collectible check ..... Wednesday, May 29, 1985