

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

Circular No. 10,081
September 17, 1986

TREASURY AUCTION OF 2-YEAR AND 4-YEAR NOTES
TOTALING \$17,500 MILLION

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

The following statement has been issued by the Treasury Department:

The Treasury will raise about \$3,109 million of new cash by issuing \$10,000 million of 2-year notes and \$7,500 million of 4-year notes. This offering will also refund \$14,391 million of securities maturing September 30, 1986. The \$14,391 million of maturing securities are those held by the public, including \$1,320 million currently held by Federal Reserve Banks as agents for foreign and international monetary authorities.

The \$17,500 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 prices of accepted competitive tenders.

In addition to the public holdings, Government accounts and Federal Reserve Banks, for their own accounts, hold \$1,034 million of the maturing securities that may be refunded by issuing additional amounts of the new securities at the average prices of accepted competitive tenders.

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 Issues Division (Tel. No. 212-720-6621). 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. 212-720-7773 (offerings) and Tel. No. 212-720-5823 (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. 212-720-6621, or, at the Buffalo Branch, Tel. No. 716-849-5016.

E. GERALD CORRIGAN,
President.

(Over)

**HIGHLIGHTS OF TREASURY
OFFERINGS TO THE PUBLIC
OF 2-YEAR AND 4-YEAR NOTES
TO BE ISSUED SEPTEMBER 30, 1986**

	<u>2-Year Notes</u>	<u>4-Year Notes</u>
Amount Offered:		
To the public	\$10,000 million	\$7,500 million
Description of Security:		
Term and type of security	2-year notes	4-year notes
Series and CUSIP designation.....	Series AE-1988 (CUSIP No. 912827 UA8)	Series Q-1990 (CUSIP No. 912827 UB6)
Maturity date	September 30, 1988	September 30, 1990
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	March 31 and September 30	March 31 and September 30
Minimum denomination available ..	\$5,000	\$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 by non-institutional investors.....	Full Payment to be submitted with tender	Full Payment to be submitted with tender
Payment through Treasury Tax and Loan (TT&L) Note Accounts....	Acceptable for TT&L Note Option Depositories	Acceptable for TT&L Note Option Depositories
Deposit guarantee by designated institutions.....	Acceptable	Acceptable
Key Dates:		
Receipt of tenders	Tuesday, September 23, 1986, prior to 1:00 p.m., EDST	Wednesday, September 24, 1986, prior to 1:00 p.m., EDST
Settlement (final payment due from institutions)		
a) cash or Federal funds	Tuesday, September 30, 1986	Tuesday, September 30, 1986
b) readily collectible check	Friday, September 26, 1986	Friday, September 26, 1986

Form N2-5n (Rev. 9/86)

IMPORTANT—This is a standard form. Its terms are subject to change at any time by the Treasury. This tender will be construed as a bid to purchase the 2-year notes for which the Treasury has outstanding an invitation for tenders. (See reverse side for further instructions.)

TENDER FOR 2-YEAR TREASURY NOTES

TO 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 2-year Treasury notes in the amount indicated below, and agrees to make payment therefor at your Bank in accordance with the provisions of the official offering circular.

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.

\$..... (maturity value)
(Not to exceed \$1,000,000 for one bidder through all sources)
at the average price of accepted competitive bids.

Yield:.....
(Yield must be expressed with two decimal places, for example, 7.10)

A noncompetitive bidder may not have entered into an agreement, or may not make an agreement with respect to the purchase or sale or other disposition of any noncompetitive awards of this issue in this auction prior to the designated closing time for receipt of tenders.

Certification by Competitive Bidders: The Bidder's Customer's net long position in these securities (including those acquired through "when issued" trading, and futures and forward transactions, as well as holdings of outstanding securities of the same series as the new offering) as of 12:30 pm Eastern time on the day of this auction, was —

- Not in excess of \$200 million.
- In excess of \$200 million, amounting to \$.....million.

Subject to allotment, please issue and accept payment for the book-entry securities indicated below:

Safekeeping or Delivery Instructions
(No changes will be accepted)

Payment Instructions for Institutions

Book-Entry—

- 1. Hold in safekeeping at FRBNY in-
 - Investment Account (4)
 - General Account (5)
 - Trust Account (6)
- 2. Hold as collateral for Treasury Tax and Loan Note Account*(7)
- 3. Wire to(8)
(Exact Receiving Bank Wire Address/Account)

Payment will be made as follows:

- By charge to our reserve account
- By credit to the Treasury Tax and Loan Note Account
- By check in *immediately available funds*
- By surrender of eligible maturing securities
- By charge to my correspondent bank

.....
(Name of Correspondent)

*The undersigned certifies that the allotted securities 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 customers in the amounts set forth opposite their names on the list which is made a part of this tender and that we have received and are holding for the Treasury, or that we guarantee payment to the Treasury of, the payments required by the official offering circular.

WE FURTHER CERTIFY that tenders received by us, if any, from other commercial banks or primary dealers for their own account, and for the account of their customers, have been entered with us under the same conditions, agreements, and certifications set forth in this form.

Insert this tender
in envelope
marked "Tender for
Treasury Securities"

Name of Subscriber (Please Print or Type)		
Address		
City	State	Zip Code
Phone (Include Area Code)	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)

(Name of customer)

(Name of customer)

(OVER)

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.

INSTRUCTIONS

1. No tender for less than \$5,000 will be considered; and each tender must be for a multiple \$5,000 (maturity value).
2. Only banking institutions, and dealers who make primary markets in Government securities and report daily to this Bank their positions with respect to 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 or her 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 full payment of the face amount of the securities applied for.
4. 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 commercial bank 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 Treasury securities maturing on or before the issue date of the securities being purchased. Treasury Tax and Loan Note Option Depositories may make payment for Treasury securities by credit to their Treasury Tax and Loan Note Accounts.
5. For information on currently available Treasury *offerings*, call our 24-hour recorded message at (212) 720-7773 at the Head Office or (716) 849-5046 at the Buffalo Branch. For *results* of recent Treasury auctions, call (212) 720-5823 at the Head Office or (716) 849-5046 at the Buffalo Branch. For other information about Treasury securities, call (212) 720-6621 at the Head Office or (716) 849-5016 at the Buffalo Branch during normal business hours.
6. 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.

**IMPORTANT — This tender must be received prior to 1:00 p.m., Wednesday, September 24, 1986
TENDER FOR 4-YEAR TREASURY NOTES OF SERIES Q-1990**

TO 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 the above-described book-entry securities in the amount indicated below, and agrees to make payment therefor at your Bank in accordance with the provisions of the official offering circular.

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 two decimal places, for example, 7.10)

\$ (maturity value)
(Not to exceed \$1,000,000 for one bidder through all sources)
at the average price of accepted competitive bids.

A noncompetitive bidder may not have entered into an agreement, or may not make an agreement with respect to the purchase or sale or other disposition of any noncompetitive awards of this issue in this auction prior to the designated closing time for receipt of tenders.

Certification by Competitive Bidders: The Bidder's Customer's net long position in these securities (including those acquired through "when issued" trading, and futures and forward transactions, as well as holdings of outstanding securities of the same series as the new offering) as of 12:30 pm Eastern time on the day of this auction, was —

- Not in excess of \$200 million.
- In excess of \$200 million, amounting to \$.....million.

Subject to allotment, please issue and accept payment for the book-entry securities indicated below:

Safekeeping or Delivery Instructions

(No changes will be accepted)

Book-Entry—

- 1. Hold in safekeeping at FRBNY in-
 - Investment Account (4)
 - General Account (5)
 - Trust Account (6)
- 2. Hold as collateral for Treasury Tax and Loan Note Account*(7)
- 3. Wire to (8)
(Exact Receiving Bank Wire Address/Account)

Payment Instructions for Institutions

Payment will be made as follows:

- By charge to our reserve account
- By credit to the Treasury Tax and Loan Note Account
- By check in *immediately available funds*
- By surrender of eligible maturing securities
- By charge to my correspondent bank

.....
(Name of Correspondent)

*The undersigned certifies that the allotted securities 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 customers in the amounts set forth opposite their names on the list which is made a part of this tender and that we have received and are holding for the Treasury, or that we guarantee payment to the Treasury of, the payments required by the official offering circular.

WE FURTHER CERTIFY that tenders received by us, if any, from other commercial banks or primary dealers for their own account, and for the account of their customers, have been entered with us under the same conditions, agreements, and certifications set forth in this form.

*Insert this tender
in envelope
marked "Tender for
Treasury Securities"*

Name of Subscriber (Please Print or Type)		
Address		
City	State	Zip Code
Phone (Include Area Code)	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)

(Name of customer)

(Name of customer)

See Reverse Side For Further Instructions

(OVER)

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.

INSTRUCTIONS

1. No tender for less than \$1,000 will be considered; and each tender must be for a multiple \$1,000 (maturity value).
2. Only banking institutions, and dealers who make primary markets in Government securities and report daily to this Bank their positions with respect to Government securities and borrowings thereon, may submit tenders for customer account; in doing so, they may consolidate competitive tenders *at the same yield* or at the same price and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder and the amount bid for his or her 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 full payment of the face amount of the securities applied for.
4. 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 commercial bank 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 Treasury securities maturing on or before the issue date of the securities being purchased. Treasury Tax and Loan Note Option Depositories may make payment for Treasury securities by credit to their Treasury Tax and Loan Note Accounts.
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