

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

Circular No. 10108
November 19, 1986

TREASURY TO AUCTION \$8,250 MILLION OF 5-YEAR 2-MONTH 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 \$8,250 million of 5-year 2-month notes to raise new cash. Additional amounts of the notes may be issued to Federal Reserve Banks as agents for foreign and international monetary authorities 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 Issues Division (Tel. No. 212-720-6621). In addition, enclosed is a copy of the form to be used in submitting tenders for this offering.

This Bank will receive tenders prior to 1:00 p.m., Eastern Standard time, Tuesday, November 25, 1986, 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 November 24*.

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 Depositaries, 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
OFFERING TO THE PUBLIC
OF 5-YEAR 2-MONTH NOTES
TO BE ISSUED DECEMBER 3, 1986**

Amount Offered:

To the public \$8,250 million

Description of Security:

Term and type of security 5-year 2-month notes

Series and CUSIP designation Series H-1992
(CUSIP No. 912827 UH3)

Maturity date February 15, 1992

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 August 15 and February 15
(first payment on August 15, 1987)

Minimum denomination available \$1,000

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 Tuesday, November 25, 1986,
prior to 1:00 p.m., EST

Settlement (final payment due from institutions)

a) cash or Federal funds Wednesday, December 3, 1986

b) readily collectible check Monday, December 1, 1986