

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 10144
January 29, 1987

TREASURY ANNOUNCES FEBRUARY QUARTERLY FINANCING

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

The following statement was issued yesterday by the Treasury Department:

The Treasury will raise about \$14,350 million of new cash and refund \$14,651 million of securities maturing February 15, 1987, by issuing \$10,000 million of 3-year notes, \$9,750 million of 9 $\frac{3}{4}$ -year 7 $\frac{1}{4}$ % notes, and \$9,250 million of 29 $\frac{3}{4}$ -year 7 $\frac{1}{2}$ % bonds. The \$14,651 million of maturing securities are those held by the public, including \$1,842 million held, as of today, by Federal Reserve Banks as agents for foreign and international monetary authorities.

The 9 $\frac{3}{4}$ -year note and 29 $\frac{3}{4}$ -year bond being offered today will be eligible for exchange in the STRIPS program and, accordingly, may be divided into their separate Interest and Principal Components and maintained on the book-entry records of the Federal Reserve Banks and Branches. Once a security is in the STRIPS form, the components may be maintained and transferred in multiples of \$1,000. Financial institutions should consult their local Federal Reserve Bank or Branch for procedures for requesting securities in STRIPS form.

The three issues totaling \$29,000 million are 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 \$4,190 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.

The 9 $\frac{3}{4}$ -year note and the 29 $\frac{3}{4}$ -year bond will be eligible for conversion to STRIPS (Separate Trading of Registered Interest and Principal of Securities). Information about this feature is set forth in the Treasury Department's official offering circulars, copies of which will be furnished upon request directed to our Issues Division (Tel. No. 212-720-6621). Questions regarding procedures for requesting securities in STRIPS form should be directed to our Securities Transfer Division (Tel. No. 212-720-5380).

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 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
OFFERINGS TO THE PUBLIC
FEBRUARY 1987 FINANCING
TO BE ISSUED FEBRUARY 17, 1987**

	<u>3-Year Notes</u>	<u>9¾-Year Notes</u>	<u>29¾-Year Bonds</u>
Amount Offered:			
To the public	\$10,000 million	\$9,750 million	\$9,250 million
Description of Security:			
Term and type of security	3-year notes	9¾-year notes (reopening)	29¾-year bonds (reopening)
Series and CUSIP designation.....	Series S-1990 (CUSIP No. 912827 UN0)	Series D-1996 (CUSIP No. 912827 UF7)	Bonds of 2016 (CUSIP No. 912810 DX3)
CUSIP Nos. for STRIPS			
Components	Not applicable	Listed in Attachment A of offering circular	Listed in Attachment A of offering circular
Maturity date	February 15, 1990	November 15, 1996	November 15, 2016
Interest rate	To be determined, based on the average of accepted bids	7¼%	7½%
Investment yield	To be determined at auction	To be determined at auction	To be determined at auction
Premium or discount	To be determined after auction	To be determined after auction	To be determined after auction
Interest payment dates	August 15 and February 15	May 15 and November 15 (first payment on May 15, 1987)	May 15 and November 15 (first payment on May 15, 1987)
Minimum denomination available ..	\$5,000	\$1,000	\$1,000
Amount required for STRIPS.....	Not applicable	\$800,000	\$80,000
Terms of Sale:			
Method of sale	Yield auction	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%	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	Accepted in full at the average price up to \$1,000,000
Accrued interest payable by investor ..	None	\$18.82597 per \$1,000 (from November 15, 1986, to February 17, 1987)	\$19.47514 per \$1,000 (from November 15, 1986, to February 17, 1987)
Payment Terms:			
Payment through Treasury Tax and Loan (TT&L) Note Accounts.....	Acceptable for TT&L Note Option Depositories	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, including accrued interest, to be submitted with tender	Full payment, including accrued interest, to be submitted with tender
Deposit guarantee by designated institutions.....	Acceptable	Acceptable	Acceptable
Key Dates:			
Receipt of tenders	Tuesday, February 3, 1987, prior to 1:00 p.m., EST	Wednesday, February 4, 1987, prior to 1:00 p.m., EST	Thursday, February 5, 1987, prior to 1:00 p.m., EST
Settlement			
a) funds immediately available to the Treasury ..	Tuesday, February 17, 1987	Tuesday, February 17, 1987	Tuesday, February 17, 1987
b) readily-collectible check	Thursday, February 12, 1987	Thursday, February 12, 1987	Thursday, February 12, 1987