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

Circular No. **10152**
February 19, 1987

TREASURY AUCTION OF 2-YEAR AND 5-YEAR 2-MONTH NOTES TOTALING $18,250 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 $8,800 million of new cash by issuing $10,000 million of 2-year notes and $8,250 million of 5-year 2-month notes. This offering will also refund $9,440 million of 2-year notes maturing February 28, 1987. The $9,440 million of maturing 2-year notes are those held by the public, including $1,078 million currently held by Federal Reserve Banks as agents for foreign and international monetary authorities.

The $18,250 million is being offered to the public, and any amounts tendered by Federal Reserve Banks as agents for foreign and international monetary authorities (including $1,078 million of maturing 2-year notes) 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 $647 million of the maturing securities that may be refunded by issuing additional amounts of the new notes 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 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 OF 2-YEAR AND 5-YEAR 2-MONTH NOTES

	2-Year Notes	5-Year 2-Month Notes
Amount Offered:		
To the public	$10,000 million	$8,250 million
Description of Security:		
Term and type of security	2-year notes	5-year 2-month notes
Series and CUSIP designation	Series V-1989 (CUSIP No. 912827 UP5)	Series J-1992 (CUSIP No. 912827 UQ3)
Issue date	March 2, 1987	March 3, 1987
Maturity date	February 28, 1989	May 15, 1992
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	August 31 and February 28	November 15 and May 15 (first payment on November 15, 1987)
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 Depositaries	Acceptable for TT&L Note Option Depositaries
Deposit guarantee by designated institutions	Acceptable	Acceptable
Key Dates:		
Receipt of tenders	**Tuesday, February 24, 1987, prior to 1:00 p.m., EST**	**Wednesday, February 25, 1987, prior to 1:00 p.m., EST**
Settlement (final payment due from institutions)		
a) cash or Federal funds	Monday, March 2, 1987	Tuesday, March 3, 1987
b) readily collectible check	Thursday, February 26, 1987	Friday, February 27, 1987