

TREASURY



NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
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CONTACT: Office of Financing
202/691-3550

TREASURY TO AUCTION \$6,000 MILLION OF 9-YEAR 10-MONTH NOTES

The Treasury will auction \$6,000 million of 9-year 10-month 5% notes to be issued October 5, 2001.

NOTE: The auction will be held today, October 4, 2001, with closing times for receipt of noncompetitive and competitive tenders at 12:00 noon and 1:00 p.m. eastern time, respectively. Tenders for notes to be held on the book-entry records of TreasuryDirect will not be accepted.

Up to \$1,000 million in noncompetitive bids from Foreign and International Monetary Authority (FIMA) accounts bidding through the Federal Reserve Bank of New York will be included within the offering amount of the auction. These noncompetitive bids will have a limit of \$200 million per account and will be accepted in the order of smallest to largest, up to the aggregate award limit of \$1,000 million.

The auction will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders. The allocation percentage applied to bids awarded at the highest yield will be rounded up to the next hundredth of a whole percentage point, e.g., 17.13%.

The notes being offered today are eligible for the STRIPS program.

This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (31 CFR Part 356, as amended).

Details about the security are given in the attached offering highlights.

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Attachment

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
9-YEAR 10-MONTH 5% NOTES TO BE ISSUED OCTOBER 5, 2001

October 4, 2001

Offering Amount \$6,000 million
Public Offering \$6,000 million

Description of Offering:

Term and type of security 9-year 10-month notes (reopening)
Series C-2011
CUSIP number 912827 7B 2
Auction date October 4, 2001
Issue date October 5, 2001
Dated date August 15, 2001
Maturity date August 15, 2011
Interest rate 5%
Yield Determined at auction
Interest payment dates February 15 and August 15
Amount currently outstanding \$12,046 million
Minimum bid amount and multiples \$1,000
Accrued interest payable by investor \$6.92935 per \$1,000 (from August 15 to
October 5, 2001)
Premium or discount Determined at auction

STRIPS Information:

Minimum amount required \$1,000
Corpus CUSIP number 912820 GL 5
Due date(s) and CUSIP number(s)
for additional TINT(s) Not Applicable

Submission of Bids:

Noncompetitive bids:

Accepted in full up to \$5 million at the highest accepted yield.

Foreign and International Monetary Authority (FIMA) bids: Noncompetitive bids
submitted through the Federal Reserve Banks as agents for FIMA accounts.

Accepted in order of size from smallest to largest with no more than \$200
million awarded per account. The total noncompetitive amount awarded to Federal
Reserve Banks as agents for FIMA accounts will not exceed \$1,000 million. A
single bid that would cause the limit to be exceeded will be partially accepted
in the amount that brings the aggregate award total to the \$1,000 million limit.
However, if there are two or more bids of equal amounts that would cause the
limit to be exceeded, each will be prorated to avoid exceeding the limit.

Competitive bids:

- (1) Must be expressed as a yield with three decimals, e.g., 7.123%.
- (2) Net long position for each bidder must be reported when the sum of the total
bid amount, at all yields, and the net long position is \$2 billion or greater.
- (3) Net long position must be determined as of one half-hour prior to the
closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield 35% of public offering
Maximum Award 35% of public offering

Receipt of Tenders:

Noncompetitive tenders:

Prior to 12:00 noon eastern daylight saving time on auction day.

Competitive tenders:

Prior to 1:00 p.m. eastern daylight saving time on auction day.

Payment Terms: By charge to a funds account at a Federal Reserve Bank on issue date.