



EMBARGOED UNTIL 2:30 P.M.  
July 22, 1998

CONTACT: Office of Financing  
202/219-3350

TREASURY TO AUCTION \$15,000 MILLION OF 2-YEAR NOTES

The Treasury will auction \$15,000 million of 2-year notes to refund \$31,410 million of publicly held securities maturing July 31, 1998, and to pay down about \$16,400 million.

In addition to the public holdings, Federal Reserve Banks hold \$1,842 million of the maturing securities for their own accounts, which may be refunded by issuing an additional amount of the new security.

The maturing securities held by the public include \$4,464 million held by Federal Reserve Banks as agents for foreign and international monetary authorities. Amounts bid for these accounts by Federal Reserve Banks will be added to the offering.

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 2-year notes being offered today are eligible for the STRIPS program.

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356, as amended) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

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

As announced on May 6, 1998, the Treasury Department has discontinued issuing 5-year notes on a monthly basis. The last monthly 5-year note was issued on June 30, 1998. Beginning in August 1998, the 5-year note will replace the 3-year note in the quarterly refundings.

oOo

Attachment

---

*For press releases, speeches, public schedules and official biographies, call our 24-hour fax line at (202) 622-2040*

---

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF  
2-YEAR NOTES TO BE ISSUED JULY 31, 1998

July 22, 1998

Offering Amount..... \$15,000 million

Description of Offering:

Term and type of security..... 2-year notes  
Series..... AF-2000  
CUSIP number..... 912827 4M 1  
Auction date..... July 29, 1998  
Issue date..... July 31, 1998  
Dated date..... July 31, 1998  
Maturity date..... July 31, 2000  
Interest rate..... Determined based on the highest  
accepted competitive bid  
Yield..... Determined at auction  
Interest payment dates..... January 31 and July 31  
Minimum bid amount..... \$5,000  
Multiples..... \$1,000  
Accrued interest payable by investor..... None  
Premium or discount..... Determined at auction

STRIPS Information:

Minimum amount required..... Determined at auction  
Corpus CUSIP number ..... 912820 DD 6  
Due date(s) and CUSIP number(s)  
for additional TINT(s)..... Not applicable

Submission of Bids:

Noncompetitive bids: Accepted in full up to \$5,000,000 at the highest  
accepted yield.

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: Full payment with tender or by charge to a funds account  
at a Federal Reserve Bank on issue date.