

TREASURY



NEWS

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

FOR RELEASE WHEN AUTHORIZED AT PRESS CONFERENCE CONTACT: Office of Financing
August 1, 2001 202/691-3550

TREASURY AUGUST QUARTERLY FINANCING

The Treasury will auction \$11,000 million of 4-3/4-year 4-5/8% notes, \$11,000 million of 10-year notes, and \$5,000 million of 29-1/2-year 5-3/8% bonds to refund \$11,885 million of publicly held securities maturing August 15, 2001, and to raise about \$15,115 million of new cash.

In addition to the public holdings, Federal Reserve Banks hold \$2,207 million of the maturing securities for their own accounts, which may be refunded by issuing additional amounts of the new securities.

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 each 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.

TreasuryDirect customers requested that we reinvest their maturing holdings of approximately \$37 million into the 4-3/4-year note, \$11 million into the 10-year note, and \$1 million into the 29-1/2-year bond.

All of the auctions being announced today 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%.

NOTE: The net long position reporting threshold amount for only the 29-1/2-year bond is \$1 billion.

All of the securities 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 notes and bond are given in the attached offering highlights.

oOo

Attachment

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

HIGHLIGHTS OF TREASURY OFFERINGS TO THE PUBLIC
AUGUST 2001 QUARTERLY FINANCING

August 1, 2001

<u>Offering Amount</u>	\$11,000 million	\$11,000 million	\$5,000 million
<u>Public Offering</u>	Offering amount less the amount	awarded to FIMA accounts	

Description of Offering:

Term and type of security	4-3/4-year notes (reopening)	10-year notes	29-1/2-year bonds (reopening)
Series	E-2006	C-2011	Bonds of February 2031
CUSIP number	912827 6X 5	912827 7B 2	912810 FP 8
Auction date	August 7, 2001	August 8, 2001	August 9, 2001
Issue date	August 15, 2001	August 15, 2001	August 15, 2001
Dated date	May 15, 2001	August 15, 2001	February 15, 2001
Maturity date	May 15, 2006	August 15, 2011	February 15, 2031
Interest rate	4-5/8%	Determined based on the highest accepted competitive bid	5-3/8%
Amount currently outstanding	\$16,181 million	Not applicable	\$10,887 million
Yield	Determined at auction	Determined at auction	Determined at auction
Interest payment dates	November 15 and May 15	February 15 and August 15	February 15 and August 15
Minimum bid amount and multiples ..	\$1,000	\$1,000	\$1,000
Accrued interest payable			
by investor	\$11.56250 per \$1,000 (from May 15 to August 15, 2001)	None	None
Premium or discount	Determined at auction	Determined at auction	Determined at auction

STRIPS Information:

Minimum amount required	\$1,000	\$1,000	\$1,000
Corpus CUSIP number	912820 GG 6	912820 GL 5	912803 CK 7
Due date(s) and CUSIP number(s) for additional TINT(s)	Not applicable	Not applicable	Not applicable

The following rules apply to all securities mentioned above:

Submission of Bids:

Noncompetitive bids: Accepted in full up to \$5,000,000 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 for each of the notes and \$1 billion or greater for the bond.
- (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, or payment of full par amount with tender. *TreasuryDirect* customers can use the Pay Direct feature which authorizes a charge to their account of record at their financial institution on issue date.