Federal Reserve Banks

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February 25, 1999
Clearing Memo # 212

TO: All Fedwire Securities Participants

SUBJECT: Fungible STRIPS for Treasury Inflation-Indexed Securities (TIIS)

As detailed in the Federal Register notice (See Attachment I), the Treasury Department has announced a method that allows for all TIIS stripped interest components with the same maturity date to be interchangeable (i.e., fungible). Stripped interest components will be maintained and transferred to the PENNY ("Pennies in the PAR" field). This program will become effective, Wednesday, March 31, 1999.

The following outlines the procedures that the Federal Reserve Bank of New York will follow when implementing the TIIS fungible STRIPS program:

A. Minimum PAR Amount

The minimum par amount of TIIS that can be stripped is $1,000. Any par amount above $1,000 must be stripped in multiples of $1,000.

B. Interest Components (TIINs)

(1) Interest components (TIINs) stripped from inflation-indexed notes or bonds are maintained in customer accounts on the Fedwire® Securities Service ("securities system") and transferred at their adjusted value. The adjusted value per thousand is derived as follows: semi-annual interest rate (per 1,000)* par amount *(100/reference $CPI_{\text{dated date}}$).
See Attachment II for TIIN factors and adjusted TIIN values per $1 million of principal for currently outstanding TIIS.

Factors for deriving the adjusted values per thousand for interest components will be broadcast by the Federal Reserve Bank of New York with the TIIS original issue description/attributes.

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(2) *Rounding:* In determining the TIIN par amount, or adjusted value, described in Attachment II, the TIIN factor is calculated to nine decimal places, e.g., 11.206256956. Normal rounding results in a TIIN component of $11,206.26 from a $1,000,000 parent (principal amount). In order to reconstitute a security, the reconstitution request must equal the same values as those calculated by the securities system. If each TIIN component is not an exact match, the transaction will be rejected.

C. Principal Components

The corpus or principal component (TPIN or TPIB) stripped from a TIIS is maintained in customer accounts, and transferred on the Securities system, at its par amount. A stripped principal component has a CUSIP number that is different from the CUSIP number of the fully-constituted (unstripped) security.

D. Payments on Principal and Interest Components

(1) *Principal Component (TPIN or TPIB):* At maturity, the holder of the principal component will receive the inflation-adjusted principal value or the par amount, whichever is greater. The principal payment, at maturity, will be determined by multiplying the par amount by maturity factor, i.e., index ratio, on the maturity date. <u>The Federal Reserve Bank of New York will broadcast the maturity factor, i.e., index ratio, approximately five business days prior to the maturity date.</u>

(2) *Interest Component (TIIN):* At maturity, a stripped interest component will be processed as a maturing security. Payment to the holder will be determined by multiplying the adjusted par of the TIIN, the amount recorded on the securities system, by the "Maturity Factor". The maturity factor is the reference CPI on maturity date divided by 100. <u>The Federal Reserve Bank of New York will broadcast the maturity factor approximately five business days prior to the maturity date</u>. Payment for the redemption of the principal and interest components will be made via Type Code 8906. The detailed information will be included in the immediate credit notifications.

E. *Reconstituting TIIS*

Stripped interest and principal components may be reconstituted, i.e., restored to their fully-constituted form. A principal component and all related unmatured interest components, in the appropriate minimum amounts, multiple amounts or adjusted values, must be submitted together for reconstitution. <u>Interest components stripped from inflation-indexed securities are different from interest components stripped from fixed-principal securities and accordingly, are not interchangeable for reconstitution purposes.</u> As described in the "Rounding" section of this document, the reconstitution process will require precise rounding with <u>NO PENNY TOLERANCE.</u> Rounding errors will result in rejected reconstitution requests.

F. *CUSIP Numbers/Security Description*

There will no longer be unique descriptions to distinguish interest components stripped from TIIS notes and bonds, rather the single description - TIIN - will describe all interest components from TIIS notes and bonds. (Described in Clearing Memo #198 of December 3,

1996). However, the associated corpus resulting from the stripping process will continue to reflect the principal note (TPIN) or bond (TPIB).
The corpus (principal) component (TPIN or TPIB) and the semi-annual interest components (TIINs) will be assigned separate CUSIP numbers.

The corpus description will read:
NN n/n TPIN A Yy or NN n/n TPIB YY
The interest security description will read:
TIIN MM/DD/YY (maturity date).

Effective March 31, 1999, all non-generic CUSIPs for the existing interest components of TIIS will be cancelled. New generic CUSIPs have been assigned and can be found in Attachment III.

G. *Secondary Market Transfers*

For Type Code 20 transfers of TIINs, the securities system will permit a minimum par TIIN of $1.00, and a multiple of a penny (.01). Transfers which would result in a remaining TIIN par balance of less than $1.00 will reject.

H. *Conversion into STRIPS/Reconstitution Requests*

The procedures for TIIS STRIP and reconstitution requests are the same as the procedures for stripping existing Treasury issues. See Clearing Memo #198 of December 3, 1996.

Questions regarding this announcement should be directed to the Federal Reserve Bank of New York at (201) 531-3341.

Attachment 1

Federal Register: June 30, 1998 (Volume 63, Number 125)
Rules and Regulations]
Page 35781-35785]
From the Federal Register Online via GPO Access [wais.access.gpo.gov]
[DOCID:<strongfr30jn98</strong-<strong25</strong]
http://www.publicdebt.treas.gov/cc/cc1998fr.htm
[[Page 35781]]

Part VIII
Department of the Treasury

Fiscal Service

31 CFR Part 356
Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and
Bonds (Department of the Treasury Circular, Public Debt
Series No. 1-93); Final Rule [[Page 35782]]

DEPARTMENT OF THE TREASURY
Fiscal Service
31 CFR Part 356
Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds
(Department of the Treasury Circular, Public Debt Series No. 1-93)
AGENCY: Bureau of the Public Debt, Fiscal Service, Department of the Treasury.
ACTION: Final rule.

SUMMARY: The Department of the Treasury (``Treasury'' or ``Department'') is issuing in final form an amendment to 31 CFR Part 56 (Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds). This amendment includes changes necessary to make fungible stripped interest components for Treasury inflation-indexed securities, which the Department began issuing in January 1997. In addition, the amendment makes certain technical clarifications and conforming changes.
EFFECTIVE DATE: March 31, 1999.
ADDRESSES: This final rule is available for downloading from the Bureau of the Public Debt's Internet site at the following address:
www.publicdebt.treas.gov.
It is also available for public inspection and copying at the Treasury Department Library, FOIA Collection, Room 5030, Main Treasury Building, 1500 Pennsylvania Avenue, N.W., Washington, D.C., 20220. Persons wishing to visit the library should call (202) 622-0990 for an appointment.

FOR FURTHER INFORMATION CONTACT: Kerry Lanham (Acting Director), Chuck Andreatta or Kurt Eidemiller (Government Securities Specialists), Bureau of the Public Debt, Government Securities Regulations Staff, (202) 219-3632.

SUPPLEMENTARY INFORMATION:

I. Background

The Uniform Offering Circular (31 CFR Part 356) sets out the terms and conditions for the sale and issuance by the Department of the Treasury to the public of marketable Treasury bills, notes, and bonds. The Uniform Offering Circular, in conjunction with offering announcements, represents a comprehensive statement of those terms and conditions. ¹

\1\ The Uniform Offering Circular was published as a final rule on January 5, 1993 (58 FR 412). The circular, as amended, is codified at 31 CFR Part 356.

In January 1997, the Department began issuing a new type of marketable security, referred to as a Treasury inflation-indexed security, whose principal value is adjusted for inflation as measured by the Bureau of Labor Statistics of the U.S. Department of Labor.²

The Department believes the issuance of these new securities will reduce interest costs to the Treasury over the long term and broaden the types of debt instruments available to investors in U.S. financial markets.

\2\ 62 FR 846 (January 6, 1997).

Treasury inflation-indexed securities have been eligible for the STRIPS (Separate Trading of Registered Interest and Principal of Securities) program since Treasury began issuing the new securities.

STRIPS is the Department's program under which eligible securities are authorized to be separated into principal and interest components (interest components are also referred to as ``TINTS''). Such components are maintained in book-entry accounts, and transferred separately in the Treasury/Reserve Automated Debt Entry System (``TRADES'' or the commercial book-entry system). Unlike TINTS from Treasury fixed-principal securities, TINTS stripped from an inflation-indexed security are currently not fungible (i.e., they are not interchangeable) with TINTS stripped from a different inflation-indexed security, even if the components have the same maturity (payment) date.³

\3\ See 31 CFR 356.31(f).

In the preamble to the final rule amendments to accommodate the issuance of inflation-indexed securities, the Department stated that it would ``continue to work on making interest components fungible in a manner that is operationally feasible.'' ⁴ The Department recognizes that making stripped inflation-indexed interest components fungible is important to developing a liquid market for these components. The Department has worked with market participants to develop a methodology that will accomplish this goal.

\4\ 62 FR 846, 848 (January 6, 1997).

The Department published for public comment a proposed amendment to the Uniform Offering Circular on December 8, 1997,⁵ which laid out the proposed methodology for making TINTS stripped from different Treasury inflation-indexed securities fungible. The closing date for comments was February 6, 1998. As explained in more detail below, after considering the comments provided, Treasury has decided to adopt the proposed methodology for making TINTS stripped from different inflation-indexed securities fungible. This methodology will remain unchanged from its description in the proposed rule. However, in order to provide market participants sufficient time to make any necessary automated systems changes, the effective date of this final rule will be delayed until March 31, 1999.

\5\ 62 FR 64528 (December 8, 1997).

II. Comments Received in Response to the Proposed Rule

The Department received one comment letter on the proposed rule, which was from The Bond Market Association (``Association'').⁶ In developing the final rule, the Department took the issues raised in this comment letter into consideration, as well as input received during discussions with various active Treasury securities market participants.

\6\ See letter from Ms. Paula H. Simpkins, Vice President and Assistant General Counsel, The Bond Market Association (dated February 6, 1998). This letter is available to the public for inspection and downloading on the Internet, at the address provided earlier in this rule, and for inspection and copying at the Treasury Department Library, at the address provided earlier.

The Association generally supported the Department's efforts to make TINTS of inflation-indexed securities fungible. The Association, however, cited its members' concern with ``the significant modifications needed for their operational systems to accommodate the trading and maintenance of the adjusted value of stripped interest components to the penny.'' The Association said its members believe ``that it will require approximately six to nine months to both make and test the appropriate system changes before they can begin trading the new stripped securities.'' Association members, the commenter said, also expressed concerns that these system changes could complicate efforts already underway to make operational system adjustments to prepare for the year 2000, the European Monetary Unit and the General Collateral Finance Repo product of the Government Securities Clearing Corporation. Similar concerns were expressed to the Department in discussions with various active Treasury market participants. The Association suggested that Treasury consider truncating the pennies from the adjusted values, so that the adjusted values would be maintained in accounts and transferred in whole dollars.

The Association supported establishing a conversion factor between securities issued under different CPI base reference periods if the Consumer Price Index's base reference period is changed. Such a factor would enable TINTS from inflation-indexed securities issued during different CPI base [[Page 35783]] reference periods to be fungible. However, the Association recommended that the conversion be done on a voluntary basis so investors could decide whether the benefits outweigh the associated costs of conversion. The Association also recommended the creation of an additional conversion factor that would allow TINTS of inflation-indexed securities issued during a more-recent base period to be converted to an older base period. This additional convertibility, the commenter asserted, would further increase the marketability of the TINTS.

After taking the comments and views received into consideration, the Department is issuing a final rule that adopts the proposed rule without any significant changes. The suggestion to truncate the pennies from the calculation of adjusted values was not adopted because of the resulting payment differences to holders of inflation-indexed TINTS as compared with holders of unstripped inflation-indexed securities, particularly for smaller holders. However, in order to provide market participants with sufficient time to make any automated systems changes necessary for maintaining accounts and transferring adjusted values in pennies, Treasury has decided to adopt the recommendation of The Bond Market Association to delay the effective date. Accordingly, the effective date of this final rule will be delayed until March 31, 1999.

In delaying the effective date, the Department recognizes the significant efforts of market participants in making systems changes for the year 2000 and the European Monetary Unit.
No changes are being proposed at this time to the current STRIPS program for fixed-principal securities. However, as stated in the preamble to the proposed rule, the Department will consider at a later date the desirability of making changes to the minimum and multiple requirements for fixed-principal TINTS similar to the requirements for inflation-indexed TINTS, i.e., discontinuing the $1,000 minimum-to-hold and multiple requirement, and permitting fixed-principal TINTS to be held in amounts to the penny.

The suggestions to make conversions of adjusted values from less-recent CPI base reference periods to more-recent base reference periods voluntary, and to create an additional conversion factor to facilitate conversions of adjusted values from more-recent periods to less-recent periods, were also not adopted. The Department believes that these suggestions, had they been adopted, would have been operationally very complicated. They also would have continued to make inflation-indexed TINTS not fungible to the extent that, in either case, there would have to be different CUSIP numbers for TINTS that have the same maturity (payment) date. The rule has been amended, therefore, so that in the event that the CPI is rebased, conversion to the most-recent base reference period will be mandatory. At such time, Treasury will publish information specifying the manner in which this conversion will be accomplished. In addition, any new TINTS created from a security that was issued during a prior base reference period will be issued with adjusted values calculated using reference CPIs under the most-recent base reference period.

The only other change in the final rule from the proposed rule is to provide for mandatory conversion to fungible TINTS of any TINTS created prior to March 31, 1999.⁷ Treasury stated in the preamble to the proposed rule that this conversion would occur because of the Department's goal, where possible, to make all TINTS from inflation-indexed securities fungible.⁸ Also as stated in the preamble to the proposed rule, Treasury will provide public notice, if necessary, informing participants of the effective conversion date, along with detailed instructions regarding the conversion to fungible STRIPS.

\7\ As of May 31, 1998, none of the currently outstanding inflation-indexed securities has been stripped.
\8\ 62 FR 64528, 64530 (December 8, 1997).

III. Procedural Requirements

This final rule does not meet the criteria for a ``significant regulatory action'' pursuant to Executive Order 12866. Although this rule was issued initially in proposed form to secure the benefit of public comment, the notice, public comment, and delayed effective date provisions of the Administrative Procedure Act are inapplicable, pursuant to 5 U.S.C. 553(a)(2).

As no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601, et seq.) do not apply. There is no new collection of information contained in this final rule and, therefore, the Paperwork Reduction Act does not apply. The collections of information in 31 CFR Part 356 have been previously approved by the Office of Management and Budget under section 3507(d) of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) under control number 1535-0112. Under this Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

List of Subjects in 31 CFR Part 356

Bonds, Federal Reserve System, Government securities, Reporting and recordkeeping requirements, Securities.

For the reasons set forth in the preamble, 31 CFR Chapter II, Subchapter B, Part 356, is amended as follows:

PART 356--SALE AND ISSUE OF MARKETABLE BOOK-ENTRY TREASURY BILLS, NOTES, AND BONDS (DEPARTMENT OF THE TREASURY CIRCULAR, PUBLIC DEBT SERIES NO. 1-93)

1. The authority citation for part 356 continues to read as follows:
Authority: 5 U.S.C. 301; 31 U.S.C. 3102, et seq.; 12 U.S.C. 391.

2. Section 356.2 is amended by adding in alphabetical order the definition of ``Adjusted value'' to read as follows:

Sec. 356.2 Definitions.
* * * * *
Adjusted value means, for an interest component stripped from an inflation-indexed security, an amount derived by multiplying the semiannual interest rate by the par amount and then multiplying this value by 100 divided by the Reference CPI of the original issue date (or dated date, when the dated date is different from the original issue date). (See Appendix B, Section IV to this part, for an example of how to calculate the adjusted value for interest components stripped from an inflation-indexed security.)
* * * * *
3. Section 356.31 is revised to read as follows:

Sec. 356.31 STRIPS.

(a) General.

A note or bond may be designated in the offering announcement as eligible for the STRIPS program. At the option of the holder, and generally at any time from its issue date until its call or

maturity, any such security may be ``stripped,'' i.e., divided into
separate principal and interest components. A short or long first interest payment and all interest payments within a callable period are not eligible to be stripped from the principal component. The CUSIP numbers and payment dates for the principal and interest components are provided in the offering announcement if not previously announced.

(b) Treasury fixed-principal securities--
(1) Minimum par amounts [[Page 35784]] required for STRIPS. For a fixed-principal security to be stripped into the components described above, the par amount of the security must be in an amount that, based on its interest rate, will produce a semiannual interest payment in a multiple of $1,000. Exhibit C to this part provides the minimum par amounts required to strip a fixed-principal security at various interest rates, as well as the corresponding interest payments. Amounts greater than the minimum par amount must be in multiples of that amount. The minimum par amount required to strip a particular security will be provided in the press release announcing the auction results.

(2) Principal components. Principal components stripped from fixed- principal securities are maintained in accounts, and transferred, at their par amount. The principal components have a CUSIP number that is different from the CUSIP number of the fully-constituted (unstripped) security.

(3) Interest components. Interest components stripped from fixed-principal securities are maintained in accounts, and transferred, at their original payment value, which is derived by applying the semiannual interest rate to the par amount. When an interest component
is created, the interest payment date becomes the maturity date for the component. All such components with the same maturity date have the same CUSIP number, regardless of the underlying security from which the interest payments were stripped. All interest components have CUSIP numbers that are different from the CUSIP number of any fully-constituted security and any principal component.

(c) Treasury inflation-indexed securities--

(1) Minimum par amounts required for STRIPS. The minimum par amount of an inflation-indexed
security that may be stripped into the components described in paragraph (a) of this section is $1,000. Any par amount to be stripped above $1,000 must be in a multiple of $1,000.

(2) Principal components. Principal components stripped from inflation-indexed securities are maintained in accounts, and transferred, at their par amount. At maturity, the holder will receive the inflation-adjusted principal value or the par amount, whichever is greater. (See Sec. 356.30.) The principal components have a CUSIP number that is different from the CUSIP number of the fully-constituted (unstripped) security.

(3) Interest components. Interest components stripped from inflation-indexed securities are maintained in accounts, and transferred, at their adjusted value, which is derived by multiplying the semiannual interest rate by the par amount and then multiplying this value by 100 divided by the Reference CPI of the original issue date (or dated date, when the dated date is different from the original issue date). See Appendix B, Section IV to this part, for an example of how to calculate an adjusted value. The payment value of any interest component created prior to March

31, 1999, will be converted to its adjusted value. When an interest component is created, the interest payment date becomes the maturity date for the component. All such components with the same maturity date have the same CUSIP number, regardless of the underlying security from which the interest payments were stripped. The CUSIP number of any interest component created prior to March 31, 1999, will be converted to the fungible CUSIP number for the same maturity date. All interest components have CUSIP numbers that are different from the CUSIP number of any fully-constituted security and any principal component. At maturity, the payment to the holder will be derived by multiplying the adjusted value of the interest component by the Reference CPI of the maturity date, divided by 100. See Appendix B, Section IV to this part, for an example of how to calculate an actual payment amount from an adjusted value.

(4) Rebasing of the CPI. In the event that the CPI is rebased, the adjusted values of all outstanding inflation-indexed interest components will be converted to adjusted values based on the new base reference period. At such time, Treasury will publish information specifying the manner in which this conversion will be accomplished. Subsequent to rebasing, any TINTS created from a security that was issued during a prior base reference period will be issued with adjusted values calculated using reference CPIs under the most-recent base reference period.

(d) Reconstituting a security. Stripped interest and principal components may be reconstituted, i.e., restored to their fully-constituted form. A principal component and all related unmatured interest components, in the appropriate minimum or multiple amounts or adjusted values, must be submitted together for reconstitution. Interest components stripped from inflation-indexed securities are different from interest components stripped from fixed-principal securities and, accordingly, are not nterchangeable for reconstitution purposes.

(e) Applicable regulations. Unless otherwise provided in this part, notes and bonds stripped into their STRIPS components are governed by Subparts A, B, and D of Part 357 of this chapter.

4. Appendix B to Part 356 is amended by revising the list of section headings at the beginning of the Appendix to read as follows:

Appendix B to Part 356--Formulas and Tables

I. Computation of Interest on Treasury Bonds and Notes.

II. Formulas for Conversion of Fixed-Principal Security Yields to
Equivalent Prices.

III. Formulas for Conversion of Inflation-Indexed Security Yields to
Equivalent Prices.

IV. Computation of Adjusted Values and Payment Amounts for Stripped
Inflation-Indexed Interest Components.

V. Computation of Purchase Price, Discount Rate, and Investment Rate
(Coupon-Equivalent Yield) for Treasury Bills.

* * * * *

5. Appendix B to Part 356 is amended by redesignating Section IV as
Section V and adding a new Section IV to read as follows:

* * * * *

IV. Computation of Adjusted Values and Payment Amounts for Stripped Inflation-Indexed Interest Components

Note: Valuing an interest component stripped from an inflation- indexed security at its adjusted value enables this interest component to be interchangeable (fungible) with other interest components that have the same maturity date, regardless of the underlying inflation-indexed security from which the interest components were stripped. The adjusted value provides for fungibility of these various interest components when buying, selling, or transferring them, or when reconstituting an inflation- indexed security.

Definitions

C=the regular annual interest rate, payable semiannually, e.g., .03625 (the decimal equivalent of a 3-5/8% interest rate)
Par=par amount of the security to be stripped
Ref CPI<INF>Issue Date</INF>=reference CPI for the original issue date (or dated date, when the dated date is different from the original issue date) of the underlying (unstripped) security
Ref CPI<INF>Date</INF>=reference CPI for the maturity date of the interest component
AV=adjusted value of the interest component
PA=payment amount at maturity by Treasury

Formulas

AV=Par (C/2)(100/Ref CPI<INF>Issue Date</INF>) (rounded to 2 decimals with no intermediate rounding)
PA=AV (Ref CPI<INF>Date</INF>/100) (rounded to 2 decimals with no intermediate rounding)
Example. A 10-year inflation-indexed note paying 3\1/2\% interest is issued on January 15, 1999, with the second interest payment on January 15, 2000. The Ref CPI on January 15, 1999 (Ref CPI<INF>Issue Date</INF>) is 174.62783, and the Ref CPI on January 15, 2000 (Ref CPI<INF>Date</INF>) is

[[Page 35785]]

179.86159. Calculate the adjusted value and the payment amount at maturity of the interest component.

Definitions

C=.035
Par=$1,000,000
Ref CPI<INF>Issue Date</INF>=174.62783
Ref CPI<INF>Date</INF>=179.86159

Resolution

For a par amount of $1 million, the adjusted value of each stripped interest component is $1,000,000 (.035/2)(100/174.62783), or $10,021.31 (no intermediate rounding).
For an interest component maturing on January 15, 2000, the payment amount is $10,021.31 (179.86159/100), or $18,024.49 (no intermediate rounding).
* * * * *
6. Exhibit C to Part 356 is amended by revising the heading to read as follows:

Exhibit C to Part 356--Minimum Par Amounts for Fixed-Principal STRIPS

* * * * *
Dated: June 26, 1998.
Donald V. Hammond,
Acting Fiscal Assistant Secretary.
[FR Doc. 98-17525 Filed 6-29-98; 8:45 am]
BILLING CODE 4810-39-P

TIIN FACTORS & SAMPLE INTEREST COMPONENTS FOR CURRENTLY OUTSTANDING TREASURY INFLATION INDEXED SECURITIES (TIIS)

Issue Date	TIIS Description	CUSIP	Reference CPI on dated date	TIIN Factor 1/	TIIN 2/ for a $1,000,000 par parent
01/15/97	3 3/8 Note A 07	9128272M3	158.43548	10.651023369	10,651.02
07/15/97	3 5/8 Note J 02	9128273A8	160.15484	11.317172806	11,317.17
01/15/98	3 5/8 Note A 08	9128273T7	161.55484	11.219100585	11,219.10
01/15/99	3 7/8 Note A 09	9128274Y5	164.00000	11.814024390	11,814.02
10/15/98	3 5/8 Bond 28	912810FD5	161.74000	11.206256956	11,206.26

1/ TIIN factor calculated to nine decimal places to determine interest component

2/ TIIN amount returned after rounding for $1,000,000 par note or bond STRIP request

***** INFLATION-INDEXED SECURITIES *****
CUSIP NUMBERS FOR STRIPS INTEREST COMPONENTS EFFECTIVE 3/31/99

Treasury Interest (TIIN) Due	CUSIP Number 912833	Treasury Interest (TIIN)	CUSIP Number Due 912833
*			
July 15, 1999	D2 3 *	April 15, 2009	J2 7 *
January 15, 2000	D3 1 *	October 15, 2009	J3 5 *
July 15, 2000	D4 9 *	April 15, 2010	J4 3 *
January 15, 2001	D5 6 *	October 15, 2010	J5 0 *
July 15, 2001	D6 4 *	April 15, 2011	J6 8 *
January 15, 2002	D7 2 *	October 15, 2011	J7 6 *
July 15, 2002	D8 0 *	April 15, 2012	J8 4 *
January 15, 2003	D9 8 *	October 15, 2012	J9 2 *
July 15, 2003	E2 2 *	April 15, 2013	K2 5 *
January 15, 2004	E3 0 *	October 15, 2013	K3 3 *
July 15, 2004	E4 8 *	April 15, 2014	K4 1 *
January 15, 2005	E5 5 *	October 15, 2014	K5 8 *
July 15, 2005	E6 3 *	April 15, 2015	K6 6 *
January 15, 2006	E7 1 *	October 15, 2015	K7 4 *
July 15, 2006	E8 9 *	April 15, 2016	K8 2 *
January 15, 2007	E9 7 *	October 15, 2016	K9 0 *
July 15, 2007	F2 1 *	April 15, 2017	L2 4 *
January 15, 2008	F3 9 *	October 15, 2017	L3 2 *
July 15, 2008	F4 7 *	April 15, 2018	L4 0 *
January 15, 2009	F5 4 *	October 15, 2018	L5 7 *
April 15, 1999	F6 2 *	April 15, 2019	L6 5 *
October 15, 1999	F7 0 *	October 15, 2019	L7 3 *
April 15, 2000	F8 8 *	April 15, 2020	L8 1 *
October 15, 2000	F9 6 *	October 15, 2020	L9 9 *
April 15, 2001	G2 0 *	April 15, 2021	M2 3 *
October 15, 2001	G3 8 *	October 15, 2021	M3 1 *
April 15, 2002	G4 6 *	April 15, 2022	M4 9 *
October 15, 2002	G5 3 *	October 15, 2022	M5 6 *
April 15, 2003	G6 1 *	April 15, 2023	M6 4 *
October 15, 2003	G7 9 *	October 15, 2023	M7 2 *
April 15, 2004	G8 7 *	April 15, 2024	M8 0 *
October 15, 2004	G9 5 *	October 15, 2024	M9 8 *
April 15, 2005	H2 9 *	April 15, 2025	N2 2 *
October 15, 2005	H3 7 *	October 15, 2025	N3 0 *
April 15, 2006	H4 5 *	April 15, 2026	N4 8 *
October 15, 2006	H5 2 *	October 15, 2026	N5 5 *

April 15, 2007	**H6 0 ***	**April 15, 2027**	**N6 3 ***
October 15, 2007	**H7 8 ***	**October 15, 2027**	**N7 1 ***
April 15, 2008	**H8 6 ***	**April 15, 2028**	**N8 9 ***
October 15, 2008	**H9 4 ***		

*** Inflation-indexed security--cannot be used for a conventional security Office of Financing, Bureau of the Public Debt U. S. Treasury Department, Washington, DC 20239**