

# SECURITIES AND EXCHANGE COMMISSION

## FORM 424B3

Prospectus filed pursuant to Rule 424(b)(3)

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### FILER

#### **AVCO FINANCIAL SERVICES INC**

CIK: **8795** | IRS No.: **132530491** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
Type: **424B3** | Act: **33** | File No.: **033-50547** | Film No.: **94501509**  
SIC: **6141** Personal credit institutions

Business Address  
3349 MICHELSON DR  
IRVINE CA 92715  
7145531200

PRICING SUPPLEMENT NO. 4, DATED JANUARY 7, 1994 RULE 424(B) (3)  
 FILE NO. 33-50547  
 (TO PROSPECTUS DATED OCTOBER 22, 1993 AND  
 PROSPECTUS SUPPLEMENT DATED NOVEMBER 12, 1993)

AVCO FINANCIAL SERVICES, INC.

MEDIUM-TERM NOTES, SERIES E  
 (FLOATING RATE)

<TABLE>  
 <S> <C>  
 Trade Date: January 7, 1994 Initial Interest Rate: 4.0%  
 Original Issue Date: January 14, 1994 Base Rate: / / CD Rate / / Commercial Paper Rate  
 Principal Amount: \$50,000,000 / / Federal Funds Rate  
 / / LIBOR-Reuters / / LIBOR-Telerate  
 / / Treasury Rate /X/ Other (see attached)  
 Issue Price: See below  
 Maturity Date: January 14, 1999  
 Form: /X/ Book-Entry / / Certificated Interest Reset Period:  
 / / Daily / / Weekly / / Monthly  
 /X/ Quarterly / / Semi-Annually  
 / / Other  
 Interest Reset Dates: Jan. 14, April 14, July 14  
 and Oct. 14 of each year  
 Interest Payment Period: Quarterly  
 Interest Payment Dates: Jan. 14, April 14, July 14  
 and Oct. 14 of each year  
 Index Maturity: 2 year  
 Spread (+/-): -25 Basis Points  
 Spread Multiplier: N/A  
 Maximum Interest Rate: N/A  
 Minimum Interest Rate: N/A  
 </TABLE>

Redemption:

/X/ The Notes cannot be redeemed prior to maturity  
 / / The Notes may be redeemed prior to maturity

<TABLE>  
 <CAPTION>  

REDEMPTION DATE (S)	REDEMPTION PRICE (S)
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 <S> <C>  
 </TABLE>

Repayment:

/X/ The Notes cannot be repaid prior to maturity  
 / / The Notes can be repaid prior to maturity at the option of the holder of  
 the Note

<TABLE>  
 <CAPTION>  

REPAYMENT DATE (S)	REPAYMENT PRICE (S)
-----------------------	------------------------

<S>  
</TABLE>

<C>

Original Issue Discount Note: / / Yes /X/ No  
Total Amount of OID:  
Yield to Maturity:  
Initial Accrual Period:

Agent: /X/ Merrill Lynch & Co.  
/ / Morgan Stanley & Co. Incorporated  
/ / Salomon Brothers Inc  
/ / Other: Lehman Brothers Inc.

Agent acting in the capacity as indicated below:

/ / Agent /X/ Principal

If as principal:

/X/ The Notes are being offered at varying prices related to prevailing market prices at the time of resale. Merrill Lynch & Co. purchased the Notes at 99.50% of principal amount.

/ / The Notes are being offered at a fixed initial public offering price of % of principal amount.

2

ATTACHMENT TO AVCO FINANCIAL SERVICES, INC.  
MEDIUM TERM NOTES, SERIES E, PRICING SUPPLEMENT NO. 4

For purposes of the Notes, the following additional terms shall apply:

The interest rate in effect for the period from the Original Issue Date to the first Interstate Reset Date will be the Initial Interest Rate set forth above. The interest rate in effect for each Interest Reset Period will be the two-year Constant Maturity Treasury Rate ("CMT Rate") minus 25 basis points.

The "CMT Rate" means with respect to any Interest Reset Date (in the following order of availability, as determined by the Calculation Agent):

(i) The one-week average yield on 2-year United States Treasury securities at "constant maturity" as estimated from the United States Department of the Treasury's weekly yield curve, as published in the latest H.15(519) available on the applicable Interest Determination Date with respect to such Interest Reset Date, provided that such H.15(519) was first available not earlier than ten calendar days before such Interest Determination Date, in the column for the week most recently ended opposite the heading "U.S. government securities -- Treasury Constant Maturities, 2-Year."

(ii) If the latest H.15(519) available on the applicable Interest Determination Date with respect to such Interest Reset Date was first available prior to ten calendar days before such Interest Determination Date, the CMT Rate will be such 2-year United States Treasury constant maturity rate (or other 2-year United States Treasury rate) for such Interest Determination Date(s) as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury, and (b) that the Calculation Agent determines to be comparable to the rate formerly published in H.15(519).

(iii) If the CMT Rate as described in clause (ii) above is not yet available by 10:00 a.m. New York City Time on such Interest Determination Date, then the CMT Rate shall be the average rate for the week immediately preceding such Interest Determination Date as calculated by the Calculation Agent by the interpolation from a yield curve for 1, 2 and 3 year U.S. Treasury bills/notes using standard established industry practice from closing bid prices reported to the Calculation Agent by three leading government securities dealers selected by the Calculation Agent.

(iv) If fewer than three dealers selected as aforesaid by the Calculation Agent are quoting as described in (iii) above, the CMT Rate will be the CMT Rate in effect on the immediately preceding Interest Reset Date.

Interest on the Notes will be calculated based on the actual number of days elapsed over a year of 365 days (or, if any portion of the period for which interest is being calculated falls in a leap year, the sum of (A) the actual number of days in that portion of such period falling in a leap year divided by 366 and (B) the actual number of days in that portion of such period falling in a non-leap year divided by 365).

The Interest Determination Date pertaining to an Interest Reset Date for the Notes will be the second Business Day next preceding such Interest Reset Date.