Memorandum to Institutions Maintaining
Direct Wire Facilities with the Federal Reserve
Bank of New York For Securities Transfers

RE: Book-Entry Services Provided for the Federal National
Mortgage Association

The Federal National Mortgage Association (Fannie Mae) will begin issuing medium term notes, floating rate securities and zero coupon securities in book-entry form in the immediate future. In this connection, the Federal Reserve Bank of New York (FRBNY) has been named fiscal agent with respect to these obligations.

Fannie Mae transactions will be handled by the FRBNY's securities transfer system. Transfers of Fannie Mae obligations will be governed by the same procedures and prices applicable to transfers of other non-Treasury book-entry securities. Initially, the notes, floating rate and zero coupon obligations will be eligible for transfer within the Second Federal Reserve District only but will be transferable nationwide during November of 1987.

A. CUSIP Number/Security Description

Each security will be assigned a unique nine character CUSIP number. The security description field (line 8 of the Securities message) for each security type will be as follows:

Floating Rate securities will include the alpha mnemonic (FNFR), floating rate reference instrument (e.g., 03TB, 3 month Treasury Bill), the series and maturity date. An example of this is "FNFR 03TB A 12/01/87".

Zero coupon securities will include the alpha mnemonic (FNZC) and the maturity date. An example of this is "FNZC 12/01/87".
Questions regarding this announcement should be directed to Patricia Hilt-Lupack, Manager, Securities Transfer Department, on (212) 720-5379 or Felicia Fair-Davis, assistant Chief on (212) 720-8558.

Sincerely,

Carol W. Barrett
Vice President