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

RE: Book-Entry Services Provided for the Federal
Home Loan Banks

The Federal Home Loan Banks (FHLB) will begin issuing
The Federal Reserve Bank of New York (FRBNY) has been named
Fiscal Agent with respect to these securities.

The FHLB transactions will be handled by FRBNY's
securities transfer system. Transfers of FHLB obligations
will be governed by the same procedures and prices applicable
to transfers of other non-Treasury book-entry securities. The
obligations will be transferable nationwide upon issuance.

A. CUSIP Number/Security Description

The security will be assigned a unique nine
character CUSIP number. The security description
field (line 8 of the securities message) will include
the alpha mnemonic (FHFR), floating rate reference
instrument (e.g., 03TB, 3 month Treasury Bill), the
series and year of maturity. An example of this is
"FHFR 03TB A 12/01/87".

B. Denominations

The minimum and multiple denominations will be
announced with the issue.

C. Original Issue

On the original issue settlement date, FHLB
will transmit the securities through the securities
transfer system to depository institutions (DIS). The
original issue will be effected by sending a type code
25 message (Reversal Code 2502) which will transfer
the securities against payment to the purchaser's
account from the FHLB issuer account.
D. Secondary Market Transactions

These transfers will be effected using the standard type code 20 message, and will be governed by the same procedures and prices applicable to transfers of other non-Treasury book-entry securities.

C. Principal and/or Interest Payment

The principal and/or interest payments for the securities will be automated. On the payment date, FRBNY will wire proceeds via type codes 89 and 8906 respectively, to book-entry account holders. The procedures for processing these payments will be the same as those presently in place for effecting payments for other book-entry non-Treasury securities.

Questions regarding this announcement should be directed to Pat Hilt-Lupack, Manager, Securities Transfer Department, on (212) 720-5379.

Sincerely,

Carol W. Barrett
Vice President