

# FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212-720-5000

August 25, 1989  
Clearing Memo #155

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

RE: Expansion of Book-Entry Services for the Federal  
Home Loan Mortgage Corporation

The Federal Home Loan Mortgage Corporation (Freddie Mac) will begin issuing fixed rate notes, floating rate notes, zero coupon notes and amortizing notes in the immediate future. The Federal Reserve Banks have been named fiscal agent with respect to these securities.

The Freddie Mac transactions will be handled by FRBNY's securities transfer system. Transfers of Freddie Mac 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

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:

Fixed Rate notes will include the interest rate, the alpha mnemonic (FMNT), the series and the month and year of maturity. An example of this is "9.500 FMNT A 12/89".

Floating Rate notes will include the alpha mnemonic (FMFR), floating rate reference instrument (e.g., 03TB, 3 month Treasury Bill), the series and year of maturity. An example of this is "FMFR 03TB A 12/01/89".

Zero Coupon notes will include the alpha mnemonic (FMZC) and the maturity date. An example of this is "FMZC 12/01/89".

Amortizing notes will include the interest rate, the alpha mnemonic (FMSF), the series and the month and year of maturity. An example of this is "9.500 FMSF A 12/89".

B. Denominations

The minimum and multiple denominations for these notes will be \$10,000 and \$5,000 respectively.

C. Original Issue

On the original issue settlement date, Freddie Mac (using its on-line link to FRBNY) 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 Freddie Mac's 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.

E. Principal and Interest Payments

The principal and/or interest payments for each security type will be automated. On the payment date, the FRBNY will wire the 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 Patricia Hilt-Lupack, Manager, Securities Transfer Department, on (212) 720-5379.

Sincerely,



Carol W. Barrett  
Vice President