

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212-720-5000

May 7, 1990
Clearing Memo #162

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 National
Mortgage Association

The Federal National Mortgage Association (Fannie Mae) will begin issuing multi-currency securities in book-entry form in the near future. The principal payment at maturity is payable in US dollars, but the amount is determined in part by reference to the exchange rate of the US dollar or other currencies to one or more foreign currencies. The Federal Reserve Banks have been named Fiscal Agent with respect to these securities.

The multi-currency securities will be handled by the Federal Reserve Bank of New York's (FRBNY) securities transfer system. Transfers of these obligations will be governed by the same procedures and prices applicable to transfers of other non-Treasury book-entry securities and 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) will include the interest rate, the alpha mnemonic (FNMC), the series, and the month and year of the maturity date. An example of this is "9.125 FNMC A 12/90".

B. Denominations

The minimum and multiple denominations for these securities will be announced with each new issue.

C. Original Issue

On the original issue settlement date, Fannie Mae 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 Fannie Mae'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/or Interest Payment

The principal and/or interest payments for these securities 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 non-Treasury book-entry securities.

Fannie Mae or its agent will calculate the principal repayment amount in accordance with the terms of the multi-currency securities and Fannie Mae will advise the FRBNY, which will broadcast the redemption book value factor amount per \$1000 approximately two business days prior to the maturity date. Accordingly, the final redemption amount will be calculated by multiplying the book value factor by the face amount of holdings. The final redemption amount may be higher or lower than the original face amount.

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

Sincerely,



Carol Barrett
Vice President