

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212-720-5000

September 21, 1992
Clearing Memo #176

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 PC, REMIC and STRIP securities, that are backed by existing Ginnie Mae securities, in book-entry form in October. In this connection, the Federal Reserve Banks have been named fiscal agent with respect to these securities. The record date for the Ginnie Mae-backed PC, REMIC and STRIP securities will be the last business day of the month and the payment date will be the 25th day of the following month (or the next business day if the 25th is a holiday). As a result, the span between the record date and payment date for the new securities is 25 days, in contrast to Freddie Mac's existing securities with spans between the record date and the payment date of 45 days, 30 days and 15 days.

These 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 Numbers/Security Description

Each security will be assigned a unique nine character CUSIP number. Although it is expected that Freddie Mac will initially issue only Ginnie Mae-backed PC, REMIC and STRIP securities, listed below are the security descriptions for all possible Ginnie Mae-backed products:

| | |
|--------------------------------|----------------------|
| Ginnie Mae PCs | 07.111 FRPC 000001 G |
| Ginnie Mae Adjustable Rate PCs | FRAR 000001 G |
| Ginnie Mae REMIC | FRRM G001AA 01/31/05 |

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|---|----------------------|
| Ginnie Mae Adjustable Rate REMIC | FRRA G001AA 01/31/05 |
| Ginnie Mae Pass-Thru REMIC | FRPT G001AA 01/31/05 |
| Ginnie Mae Adjustable Rate Pass-Thru REMIC | FRPA G001AA 01/31/05 |
| Ginnie Mae STRIPS - Interest Only | FRST SIO GS001000002 |
| Ginnie Mae STRIPS - Principal Only | FRST SPO GS001000002 |
| Ginnie Mae STRIPS - Recombination | FRST SIP GS001000002 |

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, Freddie Mac 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 subaccounts.

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 these securities will be automated. The payments will be aggregated such that each subaccount of each DI will receive one type code 8906 message reflecting the total payment (interest and principal) for each securities product (i.e. FRPC, FRRM, etc.) held by that subaccount. Prior to the payment date, each DI will receive advice of credit information from FRBNY which will break down the total payment amount by principal and interest for each CUSIP in each subaccount. DIs that receive the advice of credit information on cartridge/magnetic tape will receive an additional cartridge/tape for these products. As mentioned previously, the record date for the Ginnie Mae-backed securities is the last business day of each month and the payment date is the 25th day (or the next business day if the 25th is not a business day) of the following month.

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
Funds and Securities Group