

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212 720-5079

HENRY F. WIENER
VICE PRESIDENT

May 30, 1996
Clearing Memo #196

TO: 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 Agricultural
Mortgage Corporation (Farmer Mac)

The Federal Agricultural Mortgage Corporation (Farmer Mac) will begin issuing medium term notes and discount notes in book-entry form in the near future. In this connection, the Federal Reserve Banks have been named fiscal agent with respect to these obligations.

Farmer Mac's transactions 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. The obligations are 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:

Medium Term Notes will include the interest rate, the alpha mnemonic FFNT, the month and year of maturity and the series. An example of this is "5.50 FFNT 06/99 A".

Discount Notes will include the alpha mnemonic FFDN and the maturity date. An example of this is "FFDN 6/01/97".

B. Denominations

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

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C. Original Issues

On the original issue settlement date, Farmer 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 the Farmer Mac issuer account.

D. Secondary Market Transactions

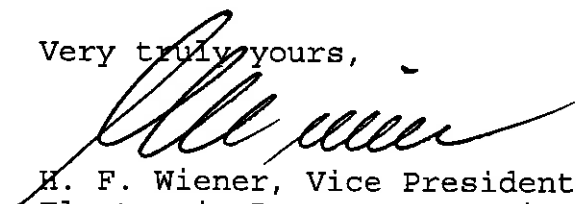
These transfers will be effected using the standard type code 20 message, and will be governed by the same procedures and prices applicable to transfers of other non-Treasury book-entry securities.

E. Principal and/or Interest Payments

The principal and/or interest payments for these securities will be automated. On the payment date, 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 currently in place for effecting payments for other book-entry non-Treasury securities.

Questions regarding this announcement should be directed to Gerald Lombardo, Electronic Payments Officer, Securities Transfer Department on (212) 720-5380.

Very truly yours,



H. F. Wiener, Vice President
Electronic Payments Function