

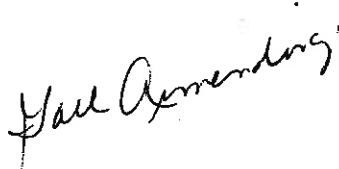
FEDERAL RESERVE BANK OF NEW YORK
EAST RUTHERFORD OPERATIONS CENTER
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AREA CODE 201-531-3000

December 21, 2000
Clearing Memo #218

To: Memorandum to Institutions Maintaining Direct Wire Facilities with the National Book-Entry System (NBES)

From: Gail Armendinger
Electronic Payments Officer
Electronic Payments Department

Subject: Expansion of Book-Entry Services Provided for Fannie Mae



Fannie Mae will begin issuing new mortgage-backed securities (MBS) with a principal and interest (P&I) remittance on the 15th calendar day of the month. In this connection, the Federal Reserve Banks have been named fiscal agent with respect to these securities.

The record date of these new securities will be the last business day of the month and the payment date will be the 15th day of the following month (or the next business day if the 15th is a holiday or falls on a weekend). As a result, the span between the record date and the payment date for the new securities is 45 days, unlike Fannie Mae's existing mortgage-backed securities where the span between record date and the payment date is 18 or 25 days.

The new securities will be processed by the Federal Reserve operated book-entry securities transfer system. Transfers of these obligations will be governed by the same procedures and fees applicable to transfers of other book-entry securities. These securities are transfereable nationwide upon issuance.

A. CUSIP Number/Security Description

Each security will be assigned a unique nine-character CUSIP number. An example of the security description is "FQRM CLNNNAA ANNANN" or "FQRA CLNNNAA ANNANN."

B. Denominations

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

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C. Original Issues

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 2500 message (Reversal Code 2502) which will transfer the securities to the purchaser's account from the Fannie Mae issuer account.

D. Secondary Market Transactions

Transfer will be at par amount and effected using the standard Type Code 2000 message (Reversal Code 2002).

E. Principal and Interest Payments

The principal and interest payments for these securities will be automated. The principal and interest payment will be made via a Type Code 8906 wire. The maturing securities will be withdrawn electronically on the payment date via a Type Code 8900. Prior to payment date, each DI will receive the detailed payment information in the Notification of P&I – Non-Immediate report.

Questions regarding this announcement should be directed to Belinda Williams, Information/Technical Support Specialist, Electronic Payments Department at (201) 531-3155.