



Federal Reserve Banks

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March 11, 2002
Clearing Memo # 236

TO: All Fedwire Securities Service Participants

SUBJECT: Additional Information on Repo Tracking and Interim Accounting
(Revised 04/12/02)

As previously announced in Clearing Memoranda #221 and #220, the Federal Reserve is implementing operational enhancements referred to as Repo Tracking and Interim Accounting. Detailed below is additional information related to these enhancements.

A. REPO TRACKING

As indicated in Clearing Memorandum #221, Repo Tracking consists of two components: (1) Repo balance recordkeeping and (2) Claim Adjustment Processing.

1. Repo balance recordkeeping

Beginning April 8, 2002, Repo balance recordkeeping will be available for all Ginnie Mae and Vinnie Mac mortgage-backed securities (MBS).

Beginning May 6, 2002, Repo balance recordkeeping will be available for all Fannie Mae and Freddie Mac MBS issues.

See Attachments I and II for a list of eligible securities by class codes and the effective date.

2. Claim Adjustment Processing

Claim Adjustment cash entries will be implemented for all MBS products (Attachments I and II) with the June MBS principal and interest payments. Fedwire participants are expected to verify and reconcile the accuracy of the BE Repo Balance Statement transmitted each evening. Repo Tracking Claims Adjustment Notifications will be sent the evening prior to the payment date beginning in May. Fedwire participants will need to continue to make manual claims for these MBS securities until their respective June 2002 payment date.

3. Repo Balance Load

The Federal Reserve will provide Fedwire participants with the opportunity to load their outstanding balances using the ADRP and ADRV codes only, on Saturday, April 6 (Ginnie Mae and Vinnie Mac) and Saturday, May 4 (Fannie Mae and Freddie Mac).

The system will be available from 7:00 am ET to 2:00 pm ET for transfers with the ADRP and ADRV codes only. The Repo originator will be able to create the Repo Out balance and the Repo In balance for the counterparty. A Repo receiver cannot create a Repo In balance for themselves nor a Repo Out for the counterparty. Reports will be generated at the end of the day.

Fedwire participants which begin to use the Repo codes on April 8 and May 6 must have their Repo In balance pre-established on return of repo or repo reversal transfers. Failure to do so will result in the message being rejected for “insufficient Repo balance”. Repo Adjustment codes can be used at any time throughout the secondary market window.

Please contact the Federal Reserve if you plan to participate on one or both Saturdays to load your outstanding Repo balances. Send an e-mail to Fedwire.securities@ny.frb.org and indicate the name of the institution, ABA Number, contact name and telephone number. More information about the conversion weekend will be provided to those participating.

4. Repo Tracking Timeline

Date	Description
April 6, 2002	Repo balance load for all Ginnie Mae and Vinnie Mac (see details above)
April 8, 2002	Implementation of Repo balance record keeping for Ginnie Mae and Vinnie Mac securities.
May 4, 2002	Repo balance load for all Fannie Mae and Freddie Mac MBS issues.
May 6, 2002	Implementation of Repo balance record keeping for Fannie Mae and Freddie Mac MBS issues.
June 2002 MBS payment dates	Repo Tracking and Interim Accounting claim adjustment cash entries will begin with the June MBS principal and interest payment dates.

B. INTERIM ACCOUNTING

The implementation of Interim Accounting claim adjustment cash entries (Phase II) will begin with the June 2002 MBS principal and interest payments. Phase I, notifications only, of Interim Accounting has been available since September 2001.

As announced in Clearing Memo #226, Interim Accounting cash adjustments were delayed in order to be implemented with Repo Tracking cash adjustments.

C. SECONDARY MARKET OPERATING HOURS

The cutoff time indicated in Clearing Memorandum #221 for “Repo Balance Only Adjustment” and “Repo Balance Only Adjustment Reversal” (Type Codes 2090 with Field Tags ADRP and ADRV) has been changed to the normal Fedwire Securities Service operating hours between 8:30 am ET and 3:30 pm ET (no longer 7:00 pm ET). These transactions will also be subject to the Securities Service closing time extensions.

D. ERROR CODES

See Attachment 3 for a complete list of the Repo Tracking error codes. The list details error codes and provides the corresponding short, medium and long descriptions.

E. BILATERAL AND UNILATERAL ADJUSTMENTS

Fedwire participants will be given the opportunity to notify the Federal Reserve to adjust a Repo In or Repo Out position after the record date and prior to the payment date. Additional information on the procedures will be provided in a subsequent clearing memorandum.

F. PRICING/FEES

The Federal Reserve will **not** assess a surcharge for each message that includes a Repo Tracking Identifier, as previously indicated in Clearing Memo #221. However, the Federal Reserve will assess a fee for each Repo claim adjustment that is processed.

G. Message IDs and Application IDs for Bulkdata Files

The following information lists the Computer Interface Protocol Specifications (“CIPS”) Message Ids/Application IDs and names of the Book-Entry Securities reports.

<i>CIPS Msg Id</i>	<i>Report Title</i>	<i>Bulk Data Appl. ID</i>
Automated Claims Adjustment Reports		
BA2070	BE Adjust Notify—Repo	BAAR
Repurchase (Repo) Balance Statement		
BA2080	BE Repo Balance Statement	BARB

Questions regarding this announcement should be directed to the Federal Reserve Bank of New York at (201) 531-3341.

Attachment I

Repo Tracking Balance Recordkeeping - April 6, 2002

Government National Mortgage Association (Ginnie Mae)

Class Code	Description
GNAR	Ginnie Mae II ARM Mortgage Backed Securities Adjustable Rate
GNCL	Ginnie Mae I Construction Loan Mortgage Backed Securities Fixed Rate
GNCT	Callable Trusts Fixed Rate
GNII	Ginnie Mae II Mortgage Backed Securities Fixed Rate.
GNMI	Ginnie Mae I Mortgage Backed Securities Fixed Rate.
GNPL	Ginnie Mae I Project Loan Mortgage Backed Securities Fixed Rate
GNRA	REMIC Adjustable Rate
GNRM	REMIC Fixed Rate
GNSN	Ginnie Mae I Serial Notes Fixed Rate
GPII	Ginnie Mae II Graduated Payment MBS Fixed Rate
GPMI	Ginnie Mae I Graduated Payment MBS Fixed Rate

Department of Veterans Affairs (Vinnie Mac)

Class Code	Description
VARM	REMIC Fixed Rate
VARA	REMIC Adjustable Rate

Attachment II

Repo Tracking Balance Recordkeeping - May 4, 2002**Fannie Mae**

Class Code	Description
FDRA	Mortgage Backed Securities Adjustable Rate REMIC
FDRM	Mortgage Backed Securities Fixed Rate REMIC
FNAR	Mortgage Backed Securities Adjustable Rate
FNCA	Mortgage Backed Securities Recombinable REMIC Adjustable
FNCM	Mortgage Backed Securities Recombinable REMIC Fix Rate.
FNDM	Mortgage Backed Securities Discount Note
FNMS	Mortgage Backed Securities
FNRA	Mortgage Backed Securities REMIC Adjustable
FNRM	Mortgage Backed Securities REMIC
FNST	Mortgage Backed Securities Strip
FQRA	Mortgage Backed Securities REMIC Adjustable
FQRM	Mortgage Backed Securities REMIC
FXAR	Mortgage Backed Securities Adjustable Rate
FXCA	Mortgage Backed Securities Recombinable REMIC Adjustable
FXCM	Mortgage Backed Securities Recombinable REMIC Fixed Rate
FXMS	Mortgage Backed Securities
FXRA	Mortgage Backed Securities REMIC Adjustable
FXRM	Mortgage Backed Securities REMIC
FXST	Mortgage Backed Securities Strip

Federal Home Loan Mortgage Corp (Freddie Mac)

Class Code	Description
FGAR	Gold Program Participation Certificate Adjustable rate.
FGPA	Gold Adjustable Rate Pass-Thru REMIC
FGPC	Gold Program Participation Certificate
FGPT	Gold Fixed Rate Pass-Thru REMIC
FGRA	Gold Program Participation Certificate REMIC Adjustable.
FGRM	Gold Program Participation Certificate REMIC.
FGST	Gold Program Participation Certificate Strip
FMAR	Mortgage Participation Certificate Adjustable Rate
FMHF	Manufactured Housing Participation Certificate Fixed Rate REMIC
FMMO	Collateralized Mortgage Obligations
FMPA	Pass-Thru Notes Adjustable Rate
FMPC	Mortgage Participation Certificate.
FMPT	Pass-Thru Notes Fixed Rate
FMRA	Mortgage Participation Certificate REMIC Adjustable.
FMRM	Mortgage Participation Certificate REMIC
FMST	Mortgage Participation Certificate Strip
FRAR	Participation Certificate backed by Ginnie Mae Securities Adjustable Rate
FRPA	Pass-Thru Note backed by Ginnie Mae Securities Adjustable Rate
FRPC	Participation Certificate backed by Ginnie Mae Securities
FRPT	Pass-Thru Note backed by Ginnie Mae Securities Fixed Rate
FRRR	Participation Certificate REMIC Adjustable backed by Ginnie Mae Securities
FRRM	Participation Certificate REMIC backed by Ginnie Mae Securities.
FRST	Participation Certificate backed by Ginnie Mae Securities Strip
FTRA	Mortgage Participation Certificate REMIC Adjustable Rate
FTRM	Mortgage Participation Certificate REMIC

Attachment 3

Error Codes & Descriptions for Repo Tracking

The following new error messages are to be added to the NBES Error Data base to support the new services of repo tracking:

- I. Code: "E131"
- Short Description: MULTIPLE REPO TAGS
 - Medium Description: MULTIPLE REPO TAGS FOUND IN MSG FREE TEXT
 - Long Description: MORE THAN ONE OF THE FOLLOWING VALID REPO TAGS IS USED IN THE FREE TEXT LINES OF A TRANSFER MESSAGE:
 - {22F:RPST} REPO DELIVERY
 - {22F:RPRV} REPO DELIVERY REVERSAL
 - {22F:CLRP} RETURN REPO
 - {22F:CLRV} RETURN REPO REVERSAL
 - {22F:ADRP} REPO POSITION ONLY ADJUSTMENT
 - {22F:ADRV} REPO POSITION ONLY ADJUST. REVERSAL
- II. Code: "E132"
- Short Description: MULTIPLE CNTR DATES
 - Medium Description: MULTIPLE CONTRACT DATE TAGS FOUND IN TRFER MSG
 - Long Description: MORE THAN ONE OF THE FOLLOWING VALID CONTRACT DATE TAGS IS USED IN THE FREE TEXT LINES OF A TRANSFER MESSAGE:
{98A:CNTR/yyyymmdd} OR {98A:CNTR/}.
- III. Code: "E133"
- Short Description: CNTR DT DELIM NOTFND
 - Medium Description: CONTRACT DATE END DELIMITER NOT FOUND
 - Long Description: CONTRACT DATE TAG IN THE FREE TEXT LINES OF A TRANSFER MESSAGE DOES NOT HAVE THE "}", END DELIMITER:
"{98A:CNTR/yyyymmdd}" OR "{98A:CNTR/".
- IV. Code: "E134"
- Short Description: REPO/SERVICE TYP ERR
 - Medium Description: REPO TYP/SERVICE COMBINATION INCOMPATIBLE
 - Long Description: THE ERROR MESSAGE IS ISSUED
 - IF THE '2000' TYPE/SUB-TYPE WIRES HAVE THE REPO POSITION ADJUSTMENT TAGS:
 - {22F:ADRP} REPO POSITION ONLY ADJUSTMENT
 - {22F:ADRV} REPO POSITION ONLY ADJUST. REVERSAL
 - OR THE '2090' TYPE/SUB-TYPE WIRES HAVE THE FOLLOWING REPO TAGS:
 - {22F:RPST} REPO DELIVERY
 - {22F:RPRV} REPO DELIVERY REVERSAL
 - {22F:CLRP} RETURN REPO
 - {22F:CLRV} RETURN REPO REVERSAL

- V. Code: "E135"
- Short Description: CONTRACT DT INV FRMT
 - Medium Description: INVALID CONTRACT DATE FORMAT IN FREE TXT LN
 - Long Description: CONTRACT DATE FORMAT IS NOT = 'yyyymmdd"
- VI. Code: "E136"
- Short Description: INVALID REPO TAG FRMT
 - Medium Description: INVALID REPO TAG VALUES OR MISSING "}"
 - Long Description: INVALID REPO TAG FORMAT MESSAGE IS ISSUED WHEN THE "{22F:" PORTION OF REPO TAG IS PRESENT IN THE FREE TEXT MESSAGE LINES, BUT:
 - REPO VALUES ARE NOT ONE OF THE FOLLOWING: "RPST, RPRV, CLRP, CLRV, ADRP, ADRV"
 - OR THE "}", END REPO TAG DELIMITER IS MISSING
- VII. Code: "E137"
- Short Description: INVALID FIELD TAG
 - Medium Description: INVALID REPO OR DATE FIELD TAG IS ENTERED
 - Long Description: CUSIP IS ELIGIBLE FOR FAIL OR REPO, BUT "{" IS NOT FOLLOWED BY A VALID FIELD TAG. CORRECTION OF THE FIELD TAG IS REQUIRED.
- VIII. Code: "E138"
- Short Description: CNTR DT >CURR CYC DT
 - Medium Description: CONTRACT DATE IS BEYOND SETTLEMENT DATE
 - Long Description: FOR ALL SERVICE TYPES: IF THE CONTRACT DATE IS BEYOND THE SETTLEMENT DATE - THE "E138" ERROR MESSAGE IS ISSUED.
- IX. Code: "E139"
- Short Description: CONTR DT NOT =CYC DT
 - Medium Description: NON "SM" TRANS:CNTR DT NOT = CURR CYCLE DT
 - Long Description: FOR SECONDARY MARKET, AND NOT TREASURY DIRECT TRANSACTIONS ONLY: IF A CONTRACT DATE IS LESS THAN SETTLEMENT DATE, A TRANSFER IS FLAGGED FOR FAIL ADJUSTMENT, AND MESSAGE IS NOT REJECTED.
 - FOR ALL OTHER SERVICE TYPES - THE "E139" ERROR MESSAGE IS ISSUED.
- X. Code: "J140"
- Short Description: INSUFF. REPO IN BAL
 - Medium Description: INSUFFICIENT REPO IN BALANCE
 - Long Description: THE SENDING DI DOES NOT HAVE SUFFICIENT REPO IN BALANCE FOR THE REPO TYPES OF:
 - "RPRV", REPO START REVERSAL
 - "CLRP, REPO CLOSE
 - "ADRV", REPO BALANCE ONLY ADJUSTMENT