



Federal Reserve Banks

Boston	Richmond	Minneapolis
New York	Atlanta	Kansas City
Philadelphia	Chicago	Dallas
Cleveland	St. Louis	San Francisco

December 15, 2003
Clearing Memorandum #243

To: All Fedwire Securities Service Participants

Subject: Final Payment on Repo Tracking Transactions
(Revised 3/1/04)

In our ongoing efforts to improve the service level of the Fedwire[®] Securities Service and to continue to meet our customers' needs, we are enhancing the claim adjustment process for our Repo Tracking functionality to **not** create a Repo Tracking Claim Adjustment for securities making a final payment. Clearing memos and additional information on Repo Tracking functionality may be found on the Financial Services web site (www.frbfinancialservices.org).

Currently, on the payment date, the Federal Reserve pays principal and interest to the holder of record of the security. Also on the payment date, the Federal Reserve functions a claim adjustment debit to the holder of the Repo In balance and a credit to the holder of the Repo Out balance, as of the record date. Effective with this change, claim adjustment debits and credits will **not** be processed for securities making a final payment. Although the adjustment amount for the claim will be zero, the supporting details will be provided for your information. Attachment I is an example of a BE Adjustment Notification-Repo showing an adjustment amount of zero.

This change will be implemented on **Monday, March 29, 2004**. It will be in effect starting with the **April**, 2004, Repo Tracking Claim Adjustments. Questions regarding this announcement or the use of this feature should be directed to the Federal Reserve Bank of New York at 800-390-2788.

Sample - Debit

0PAGE 7 10/30/03 12:06:23 BE ADJUSTMENT NOTIFICATION-REPO
 1 CYC DT: 10/16/03 TEST PIT \$053000196
 ZBANK OF AMERICA N.A.
 ZATTN: PATRICK LEWIS
 ZMC: NC1-004-03-43
 Z200 NORTH COLLEGE ST
 ZCHARLOTTE NC 28255-
 Z
 ZDI:0530-0019-6 ACCT: 1030 INVESTMENT
 Z
 Z3ADJUSTMENT DT:09/25/2003 **ADJ AMT: \$.00 DR**
 Z
 ZDETAILS
 Z4RP IN 053000196/1030 RP OUT:122016066/1050
 Z CUSIP DESCRIPTION REC DT BNF DT
 Z 31400CBM5 FNMS 05.000 CI683244 09/01/2003 09/01/2003
 Z6 PAR AMT: \$4,500,000.00 **ADJ AMT: \$.00 DR**
 Z
 Z7 INT:004.166666667 \$16,962.37
 Z7 PPD:0.0467889200 \$210,550.14
 Z7 BV: 0.9046597800 \$4,070,969.01

Sample - Credit

0PAGE 1 10/30/03 12:41:44 BE ADJUSTMENT NOTIFICATION-REPO
 1 CYC DT: 10/16/03 TEST PIT \$122016066
 ZCITY NATIONAL BANK
 Z12555 W JEFFERSON, SUITE 100
 ZLOS ANGELES CA 90066-
 Z
 ZDI:1220-1606-6 ACCT: 1050 TRUST
 Z
 Z3ADJUSTMENT DT:09/25/2003 **ADJ AMT: \$.00 CR**
 Z
 ZDETAILS
 Z4RP IN 053000196/1030 RP OUT:122016066/1050
 Z CUSIP DESCRIPTION REC DT BNF DT
 Z 31400CBM5 FNMS 05.000 CI683244 09/01/2003 09/01/2003
 Z6 PAR AMT: \$4,500,000.00 **ADJ AMT: \$.00 CR**
 Z
 Z7 INT:004.166666667 \$16,962.37
 Z7 PPD:0.0467889200 \$210,550.14
 Z7 BV: 0.9046597800 \$4,070,969.01