



Federal Reserve Banks

Boston
New York
Philadelphia
Cleveland

Richmond
Atlanta
Chicago
St. Louis

Minneapolis
Kansas City
Dallas
San Francisco

Date: August 27, 2007
Clearing Memo # 253

TO: All Fedwire® Securities Service Participants

SUBJECT: Fannie Mae – Expansion of Book-Entry Services for a New Non Mortgage-Backed Security

Fannie Mae will begin issuing a non mortgage-backed security, under a new class code, on the Fedwire® Securities system on or after October 1, 2007.

The security will be a fixed rate security; however it will pay interest based on the actual day count during the accrual period of 30/360, which may result in a different day count during the regular factor periods. For example, a semi-annual pay period for this security may have 181 days of accrual in one semi-annual period and 179 days of accrual in the next semi-annual period. The Federal Reserve will broadcast the semi-annual interest factor approximately five business days prior to the interest payment date.

A. **CUSIP Number/Security Descriptions**

Each security will be assigned a unique nine-character CUSIP number. These securities will be issued under a new class code. An example of the security description is “5.00 FNIA A 09/08”.

B. **Denominations**

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

C. **Secondary Market Transactions**

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

D. **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. Maturing securities will be withdrawn electronically on the payment date via a Type Code 8900 wire. The principal and interest notifications may be distributed up to the day prior to the P&I payment date.

Questions regarding this announcement should be directed to the Federal Reserve Bank of New York at 800-390-2788.