



## Federal Reserve Banks

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

May 19, 1997  
Clearing Memo # 204

TO: All Fedwire Securities Participants

SUBJECT: Expansion of Book-Entry Services for the Federal National Mortgage Association (Fannie Mae)

The Federal National Mortgage Association (Fannie Mae) will begin issuing mortgage-backed securities (MBS) with a P&I remittance on the 18th calendar day of each month. These securities will include REMIC tranches, stripped MBS classes and grantor trusts, and will generally be similar to other mortgage-backed securities issued by Fannie Mae in all respects except for having a P&I remittance date of the 18th. In this connection, the Federal Reserve Banks have 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 18th day of the following month (or the next business day if the 18th is a holiday). As a result, the span between the record date and the payment date for the new securities is 18 days, unlike Fannie Mae's existing mortgage-backed securities where the span between the record date and the payment date is 25 days.**

The new securities will be processed by the Fedwire<sup>®</sup> Securities Service. Transfers of these obligations will be governed by the same procedures and fees applicable to transfers of other book-entry securities. These obligations are transferable nationwide upon issuance.

### A. CUSIP NUMBERS/SECURITY DESCRIPTIONS

Each security will be assigned a unique nin character CUSIP number. Listed below are examples of the security descriptions:

**Fixed Rate REMIC**

FXRM CLNNA RTNN-NNN  
( & Various combinations)

**Floating Rate REMIC**

FXRA CLNNA RTNNNN-NN  
( & Various combinations)

**STRIPS**

FXST SPO TRNNNNNNCL  
FXST SIO TRNNNNNNCL

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**Fixed Rate MBS** (& Various combinations)  
FXMS NN.NNN AANNNNNN  
**Adjustable Rate MBS** (& Various combinations)  
FXAR XX.XXX AANNNNNN  
(& Various combinations)

**B. DENOMINATIONS**

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

**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 against payment to the purchaser's account from Fannie Mae's issuer account.

**D. SECONDARY MARKET TRANSACTIONS**

Transfer will be at par amount and effected using the standard Type Code 2000 messages, and will be governed by the same procedures and fees applicable to transfers of other Fannie Mae book-entry securities.

**E. PRINCIPAL AND INTEREST PAYMENTS**

The principal and/or interest payments for these securities will be automated. The payments will be aggregated such that each subaccount (securities account) of each DI will receive one Type Code 8906 message reflecting the total payment (interest and principal) for each securities product (i.e. FXRM, FXRA, etc.) held by that subaccount (securities account). Prior to payment date, each DI will receive an advice of credit from FRBNY which will break down the total payment amount by principal and interest for each CUSIP in each subaccount (securities account). DIs that receive the advice of credit information on cartridge/magnetic tape will receive a separate one for these products. **As mentioned previously, the record date for these Fannie Mae securities is the last business day of the month and the payment is the 18th day (or the next business day if the 18th is not a business day) of the following month.**

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