



## Federal Reserve Banks

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

December 21, 2000  
Clearing Memo # 218

TO: All Fedwire Securities Participants

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 15<sup>th</sup> 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 15<sup>th</sup> day of the following month (or the next business day if the 15<sup>th</sup> 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 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 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 CLNNNA ANNANN" or "FQRA CLNNNA ANNANN."

### B. Denominations

The minimum and multiple denominations will be announced with each 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

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sending a Type Code 2500 message (Reveral 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 the Federal Reserve Bank of New York at (201) 531-3341.