



## Federal Reserve Banks

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July 26, 2001  
Clearing Memo #226

TO: All Fedwire Book-Entry Securities Participants

SUBJECT: Additional Information on the New Functionality Available on the  
Fedwire<sup>®</sup> System  
(Revised 12/21/01)

As announced in previous Clearing Memoranda (Numbers 219 and 220), beginning September 10, 2001 the Federal Reserve is implementing operational enhancements referred to as Fail Tracking and Interim Accounting. Detailed below is additional information related to these enhancements:

### **A. Interim Accounting Delay**

The Ginnie Mae Conversion Task Force has decided to delay implementation of Phase II, cash adjustments, of Interim Accounting. Since Interim Accounting adjustments are not optional for senders of securities, Phase II will be delayed until Repo Tracking identifiers can be used in transfer messages. This will avoid interim accounting adjustments on securities involved in repurchase agreements. Implementation of Interim Accounting Phase I will include notifications only. Repo Tracking is scheduled to be available on February 4, 2002.

Fail Tracking is still scheduled for Phase I on September 10, 2001 and Phase II on October 1, 2001.

### **B. Class Codes Eligible for New Functionality**

As stated in our previous clearing memoranda, the new functionality enhancements will be activated at a securities product level (class code, e.g., FMPC). Initially, this feature will be used only for Freddie Mac, Fannie Mae, and Ginnie Mae mortgage-backed securities on the Fedwire securities transfer system.

Attachment 1 lists the Freddie Mac, Fannie Mae, and Ginnie Mae mortgage-backed securities, by

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Issuing Agency, that are eligible for New Functionality.

### **C. Error Codes**

Attachment 2 details new error codes associated with the new edits applied to the fields supporting Fail Tracking.

### **D. Claim Adjustments**

Claim adjustments for Fail Tracking and Interim Accounting will be netted by securities account and posted to the customer's account on the Net Settlement ("NSS") line in the Account Balance Monitoring System ("ABMS") see Attachment 3.

Attachment 4 is an example of an institution's daily reserve account statement. Claim adjustments will appear in the Net Settlement section and be identified by the code "11100 NAT NET SETTLEMENT."

Adjustments will be netted by securities account and adjustment type. The "reference field" on your daily accounting reserve statement will indicate the adjustment type and securities account (e.g., ACAP-F for Fail, ACAP-I for Interim accounting adjustments).

If you are a correspondent for another institution, the adjustment type and securities account will appear in the reference field under the "respondents" activity section.

Details of the claim adjustments will be delivered the night before the adjustments are processed using the delivery option for the Immediate Principal and Interest Notifications report.

### **E. Historical Data**

Claim adjustments related to Fail Tracking will only be made for up to 6 previous Payment Dates from the transaction settlement date. We **will** provide 6 months of historical data for Freddie Mac and Fannie Mae. For Ginnie Mae securities, we will begin building our historical database of factors in August 2001 and will eventually have 6 months of data available.

### **F. Beneficiary Dates**

As stated in Clearing Memo #225, the Securities Description Master File will include all current CUSIP attributes plus a new field, "beneficiary date." Initially, the mortgage backed securities broadcast will not include the beneficiary date. Beneficiary date information will be distributed in a separate general broadcast message (BA1000).

We will advise you in August 2001 when we have updated the beneficiary date for applicable outstanding Freddie Mac, Fannie Mae and Ginnie Mae REMIC tranches. We will also advise you when we will begin to include the beneficiary date in a general broadcast message as new securities are issued.

As indicated in Clearing Memo #225, the Securities Description Master file is only available via bulkdata transmission.

Institutions should contact the Federal Reserve Bank of New York, telephone # (201) 531-3341, fax # (201) 531-3590 to request the SDM file and the Computer Interface Protocol Specifications (CIPS) as well as to schedule receipt of a test file(s).

### **G. Pricing/Fees**

Due to the uncertainty of volume and activity for the new functionalities, fail tracking and interim accounting, we have decided to delay implementing fees until May 1, 2002. We currently expect our price range, applicable to each individual adjustment entry (not the net entry), to be \$.50 or less. More details on the pricing decision will be provided at the end of March 2002.

### **H. 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>
<b>Automated Claims Adjustment Reports</b>		
BA2070	BE Adjust Notify—Fail	BAAF
BA2071	BE Adjust Notify—Interim Acct	BAAI

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

Attachments (4)

## MBS CLASS CODES ELIGIBLE FOR NEW FUNCTIONALITY

<b>Federal Home Loan Mortgage Corp (Freddie Mac)</b>			
CALSS CODES	DESCRIPTION	RECORD DATE	PAYMENT DATE
FGPC	Gold Program Participation Certificate	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
FGAR	Gold Program Participation Certificate Adjustable rate.	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
FGRM	Gold Program Participation Certificate Remic.	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
FGRA	Gold Program Participation Certificate Remic Adjustable.	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
FGST	Gold Program Participation Certificate Strip	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
FMPC	Mortgage Participation Certificate.	“1 <sup>st</sup> of each month	15 <sup>th</sup> of each month (45 day lag)
FMAR	Mortgage Participation Certificate Adjustable Rate	“1 <sup>st</sup> of each month	15 <sup>th</sup> of each month (45 day lag)
FMST	Mortgage Participation Certificate Strip	“1 <sup>st</sup> of each month	15 <sup>th</sup> of each month (45 day lag)
FMRM	Mortgage Participation Certificate Remic	15 <sup>th</sup> of each month 1 <sup>st</sup> of each month	15 <sup>th</sup> of each month (45 day lag)
FMRA	Mortgage Participation Certificate Remic Adjustable.	15 <sup>th</sup> of each month 1 <sup>st</sup> of each month	15 <sup>th</sup> of each month (45 day lag)
FMHF	Manufactured Housing Participation Certificate Fixed Rate Remic	15 <sup>th</sup> of each month	15 <sup>th</sup> of each month
FMPT	Pass-Thru Notes Fixed Rate	15 <sup>th</sup> of each month	15 <sup>th</sup> of each month
FMPA	Pass-Thru Notes Adjustable Rate	15 <sup>th</sup> of each month	15 <sup>th</sup> of each month
FRRM	Participation Certificate Remic backed by Ginnie Mae Securities.	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FRRA	Participation Certificate Remic Adjustable backed by Ginnie Mae Securities	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FRPC	Participation Certificate backed by Ginnie Mae Securities	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FRAR	Participation Certificate backed by Ginnie Mae Securities Adjustable Rate	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FRST	Participation Certificate backed by Ginnie Mae Securities Strip	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FRPT	Pass-Thru Note backed by Ginnie Mae Securities Fixed Rate	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FRPA	Pass-Thru Note backed by Ginnie Mae Securities Adjustable Rate	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FMMO	Collateralized Mortgage Obligations	Various	Various
FTRM	Mortgage Participation Certificate Remic Fixed Rate	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month (45 day lag)
FTRA	Mortgage Participation Certificate Remic Adjustable Rate	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month (45 day lag)

## MBS CLASS CODES ELIGIBLE FOR NEW FUNCTIONALITY

<b>Federal National Mortgage Association (Fannie Mae)</b>			
CALSS CODES	DESCRIPTION	RECORD DATE	PAYMENT DATE
FNMS	Mortgage Backed Securities	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FNAR	Mortgage Backed Securities Adjustable Rate	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FNRM	Mortgage Backed Securities Remic	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FNRA	Mortgage Backed Securities Remic Adjustable	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FNST	Mortgage Backed Securities Strip	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FNCA	Mortgage Backed Securities Recombinable Remic Adjustable	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FNCM	Mortgage Backed Securities Recombinable Remic Fix Rate.	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
FXMS	Mortgage Backed Securities	1 <sup>st</sup> of each month	18 <sup>th</sup> of each month
FXAR	Mortgage Backed Securities Adjustable Rate	1 <sup>st</sup> of each month	18 <sup>th</sup> of each month
FXRM	Mortgage Backed Securities Remic	1 <sup>st</sup> of each month	18 <sup>th</sup> day of each month
FXRA	Mortgage Backed Securities Remic Adjustable	1 <sup>st</sup> of each month	18 <sup>th</sup> of each month
FXCM	Mortgage Backed Securities Recombinable Remic Fixed Rate	1 <sup>st</sup> of each month	18 <sup>th</sup> of each month
FXCA	Mortgage Backed Securities Recombinable Remic Adjustable	1 <sup>st</sup> of each month	18 <sup>th</sup> of each month
FXST	Mortgage Backed Securities Strip	1 <sup>st</sup> of each month	18 <sup>th</sup> of each month
FQRM	Mortgage Backed Securities Remic	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
FQRA	Mortgage Backed Securities Remic Adjustable	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
FNDM	Mortgage Backed Securities Discount Note	At Maturity	At Maturity

## MBS CLASS CODES ELIGIBLE FOR NEW FUNCTIONALITY

<b>Government National Mortgage Association (Ginnie Mae)</b>			
<b>CALSS CODES</b>	<b>DESCRIPTION</b>	<b>RECORD DATE</b>	<b>PAYMENT DATE</b>
GNMI	Ginnie Mae I Mortgage Backed Securities Fixed Rate	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
GNII	Ginnie Mae II Mortgage Backed Securities Fixed Rate	1 <sup>st</sup> of each month	20 <sup>th</sup> of each month
GNAR	Ginnie Mae II ARM Mortgage Backed Securities Adjustable Rate	1 <sup>st</sup> of each month	20 <sup>th</sup> of each month
GNRM	REMIC Fixed Rate	1 <sup>st</sup> of each month	16 <sup>th</sup> , 17 <sup>th</sup> , 18 <sup>th</sup> , 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 25 <sup>th</sup> , 26 <sup>th</sup> , of each month
GNRA	REMIC Adjustable Rate	1 <sup>st</sup> of each month	25 <sup>th</sup> of each month
GNCT	Called Trusts Fixed Rate	1 <sup>st</sup> of each month	16 <sup>th</sup> , 20 <sup>th</sup> of each month
GNSN	Ginnie Mae I Serial Notes Fixed Rate	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
GNCL	Ginnie Mae I Construction Loan Mortgage Backed Securities Fixed Rate	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
GNPL	Ginnie Mae I Project Loan Mortgage Backed Securities Fixed Rate	1 <sup>st</sup> if each month	15 <sup>th</sup> of each month
GPMI	Ginnie Mae I Graduated Payments Mortgage Backed Securities Fixed Rate	1 <sup>st</sup> of each month	15 <sup>th</sup> of each month
GPII	Ginnie Mae II Graduated Payment Mortgage Backed Securities Fixed Rate	1 <sup>st</sup> of each month	20 <sup>th</sup> of each month

## Error Codes & Descriptions for Fail Tracking

The following new error messages will be added to the NBES Error Database to support the new services of fail tracking:

- I.**      Code: "E132"
- Short                      MULTIPLE CNTR DATES  
Description:
  - Medium                    MULTIPLE CONTRACT DATE TAGS IN TRFER MSG  
Description:
  - Long                        MORE THAN ONE OF THE FOLLOWING VALID CONTRACT DATE TAGS IS USED IN THE FREE TEXT LINES OF A TRANSFER MESSAGE: {98A:CNTR/yyyyymmdd} and/or {98A:CNTR/}.
- II.**      Code: "E133"
- Short                      END DELIM NOT FOUND  
Description:
  - Medium                    CONTRACT DATE END DELIMITER NOT FOUND  
Description:
  - Long                        CONTRACT DATE TAG IN THE FREE TEXT LINES OF A TRANSFER MESSAGE DOES NOT HAVE THE "{", END DELIMITER: "{98A:CNTR/yyyyymmdd" OR "{98A:CNTR/"}
- III.**     Code: "E135"
- Short                      CNTR DT INVALID FRMT  
Description:
  - Medium                    INVALID CONTRACT DATE FORMAT IN FREE TXT LN  
Description:
  - Long                        CONTRACT DATE FORMAT IS NOT = 'yyyyymmdd"  
Description:
- IV.**     Code: "E138"
- Short                      CNTR DT\_ >CURR CYC DT  
Description:
  - Medium                    CONTRACT DATE IS BEYOND SETTLEMENT DATE  
Description:
  - Long                        CONTRACT DATE MUST BE LESS THAN OR EQUAL TO SETTLEMENT DATE.  
Description:
- V.**      Code: "E139"
- Short                      CNTR DT NOT=CYCLE DT  
Description:
  - Medium                    NON "SM" TRANS:CNTR DT NOT = CURR CYCLE  
Description:
  - Long                        FOR NON SECONDARY MARKET TRANSACTIONS ONLY (i.e. ORIGINAL ISSUE 2500-2502, STRIP & RECON REQUESTS, BE AND/OR DEFINITIVE CONVERSION REQUESTS.  
Description:
- IF A CONTRACT DATE IS NOT EQUAL TO A SETTLEMENT DATE FOR NON SECONDARY MARKET TRANSACTION, THEN THE MESSAGE WILL BE REJECTED.

Page 1 06/15/00 15:34:54 ABMS BALANCE BAL TYPE: MASTER 06/15/01

INQUIRY ABA:012345678 REPORTED ABA 098765432 BANK ABC FEDERAL

	STATUS	DEBIT	CREDIT	NET
OPEN BAL :	23:30			288,676.56
FNDS (\$) :	12:17	122,4472.00	285,038.00	939,434.00
(#) :		5	7	
NSS :	13:44	0.00	1,241,764.59	1,241,746.59
SEC (\$) :	11:00	984,706.00	120,000.00	864,706.00
(#) :		2	1	
PRFNDACH :	14:00	0.00	3,200,300.00	3,200,300.00
OTHR AVL :	15:30	2,731,229.00	1,691,067.00	1,040,162.00
DLOD BAL :	-----	-----	-----	1,886,439.15
NON AVL :	15:30	311,767.07	299,913.49	11,853.61
ACCT BAL :				1,874,585.54
MEMO POST:	00:00	0.00	0.00	0.00
DEBIT CAP :	01/14		100,000.00	100,000.00
FND COLL :	01/11		0.00	0.00
SEC COLL :	01/11		900,000.00	864,706.00
AVL FNDS :	<b>DLOD</b> -----	-----	-----	2,851,145.15

ADPB501U FEDERAL RESERVE BANK 05/23/01

TEST BANK 1234-5678-9 PAGE 1  
 FIRST STREET  
 ANY TOWN, XX 10081 BIN FMAIL

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 \* DETAIL OF OWN ACTIVITY \*  
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BR BATCH REF OFFSET FI DEBIT CREDIT

6601 (201) 531-3074	10010 TRANSFER OF FUNDS	
00139 5012		244,151,675,064.04
00003 0004	246,537,455,141.35	
SUBTOTAL	2 246,537,455,141.35	244,151,675,064.04

7400 (800) 758-9403	11100 NAT NET SETTLEMENT	
00124 0020 021051753 ACAP-F 1020		199,112.70
00131 0020 021051753 ACAP-F 1010		25,103.50
00108 0020 021051957 ACAP-I 1050		506,049.21
00101 0020 021051957 ACAP-I 2B05		101,345.32
00123 0020 021051944 ACAP-R T108		100,000.00
SUBTOTAL	4	931,610.73