



## Federal Reserve Banks

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

August 11, 2014

Clearing Memo #228- Revised<sup>1</sup>

TO: All Fedwire<sup>®</sup> Securities Service Participants

SUBJECT: Expansion of Book-Entry Services for Federal Home Loan Mortgage Corporation (Freddie Mac)

Freddie Mac began issuing mortgage-backed securities (MBS) on the Fedwire Securities Service in 2001 and migrated certain other securities to the Fedwire Securities Service from the MBS division of Fixed Income Clearing Corporation in 2002. Freddie Mac's MBS have various principal and interest payment dates (*e.g.*, the 17<sup>th</sup>, 18<sup>th</sup>, and 20<sup>th</sup> of each month).

As directed by Freddie Mac, principal and interest is to be paid to record holders of these securities as of the close of the last business day of a month. Operationally, however, the Fedwire Securities Service regards the first calendar day of the following month as the record date, on the assumption that, because the service will have been closed from the end of the last business day of the previous month until, at least, the beginning of the first calendar day of the following month, the holder as of the close of the last business day of the preceding month will be the same as the holder as of the beginning of the first calendar day of the following month.

The Federal Reserve Banks will announce specific payment dates for Freddie Mac MBS at the time each security is added to the Fedwire Securities Service, at which time information relating to the security will be broadcast or otherwise made available to Fedwire Securities Service participants.

For complete details concerning the terms, conditions, and features of Freddie Mac securities, Fedwire Securities Service participants should refer to the relevant offering circular issued by Freddie Mac.

### **A. CUSIP<sup>®</sup> Number/Security Description**

Each security will be assigned a unique nine-character CUSIP number. The security description will include an alpha mnemonic (*e.g.*, FRRM) and the maturity date.

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<sup>1</sup> Clearing Memo #228 was originally published on October 26, 2001.

Listed below are examples of security descriptions:

Fixed Rate REMIC  
Adjustable Rate REMIC  
Participation Certificates

FRRM ANNNNNA MM/DD/YY  
FRRA ANNNNA MM/DD/YY  
FRPC 000001 G MM/DD/YY

## **B. Denominations**

Freddie Mac will announce the minimum and multiple denominations for these securities in advance of each new issue.

## **C. Original Issues**

On an original issue settlement date, Freddie Mac will transfer newly issued securities to the securities accounts of Fedwire Securities Service participants identified in settlement instructions Freddie Mac received. The original issue will be effected by sending a Type Code 2500 message, which will result in the participants' securities accounts being credited with, and the associated master accounts being debited for, the newly issued securities.

## **D. Secondary Market Transactions**

Transactions may be effected using the standard Type Code 2000 message. Securities may be sent back to their sender by initiating a new securities transfer message using Type Code 2002.

## **E. Principal and Interest Payments**

Principal and interest payments will be made by a Type Code 8906 message. Maturing securities will be withdrawn from Fedwire Securities Service participants' securities accounts on the maturity date by a Type Code 8900 message.

Principal and interest notifications relating to these securities will be distributed in advance of the principal and interest payment date; factor information for these securities is not available until that time. Principal and interest notifications sent the day before payment date will be included in the "Immediate P&I Notification" report along with non-MBS products (refer to Clearing Memo #224).

## **F. Claims Adjustment Eligibility**

These securities are eligible for fail tracking and interim accounting available through the Fedwire Securities Service. See Clearing Memos #219 (fail tracking) and #220 (interim accounting).

## **G. Beneficiary Date**

Some real estate mortgage investment conduit (REMIC) classes may have a beneficiary date that differs from the record date. This information can be found in a securities directory available to

Fedwire Securities Service participants. The beneficiary date will not be included in the MBS broadcast message.

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

This clearing memo, like all clearing memos, is an announcement of enhancements or other changes to the Fedwire Securities Service and is intended to convey technical or operational information only. The legal terms governing the maintenance and transfer of Fedwire securities are set forth in the Federal Reserve Banks' Operating Circular 7, *Book-Entry Securities Account Maintenance and Transfer Services*, available at [FRBservices.org](http://FRBservices.org).

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