



## Federal Reserve Banks

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

October 1, 2013

Clearing Memo #261- Revised<sup>1</sup>

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

SUBJECT: Expansion of Book-Entry Services for the United States Treasury (Treasury)

The Treasury anticipates issuing Floating Rate Note (FRN) securities on the Fedwire<sup>®</sup> Securities system beginning in January 2014.<sup>2</sup>

Treasury FRNs will pay interest quarterly. The Treasury is responsible for calculating the interest factor and providing that information to the Federal Reserve Banks. Subject to timely receipt of the information from the Treasury, the Federal Reserve Banks will broadcast the interest factor associated with an upcoming interest payment two business days before the payment date.

Treasury FRNs will be issued under the existing class code NOTE and will not be eligible for stripping.

For additional details concerning the terms, conditions, and features of FRNs, Fedwire Securities Service participants should refer to the Treasury's Uniform Offering Circular.

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

Each security will be assigned a unique nine-character CUSIP number. The security description will include the acronym TRFR, the series identifier, and the maturity date.

For example, the security description of an FRN, Series A-2014, maturing May 31, 2014, might read as follows: TRFR A 05/31/14.

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<sup>1</sup> Clearing Memo #261 was originally published on [FRBservices.org](http://FRBservices.org) on September 6, 2013 and has been revised to include an updated security description.

<sup>2</sup> See Treasury's August 2013 Quarterly Refunding Statement - <http://www.treasury.gov/press-center/press-releases/Pages/jl2126.aspx>.

## **B. Denominations**

The minimum denomination for these securities will be \$100, and they will be available in integral multiples of \$100.

## **C. Original Issues**

On an original issue settlement date, the Federal Reserve Bank of New York will transfer newly issued securities to the securities accounts of Fedwire Securities Service participants identified in the settlement instructions of those entities that have been awarded securities in the Treasury auction. 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 debited 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 may be distributed up to the day before the principal and interest payment date.

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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