

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7382]
[April 26, 1974]

Book-Entry Regulation of Federal National Mortgage Association

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

In our Circular No. 7303, dated December 21, 1973, we reported on the progress being made in the application of the expanded book-entry program to Treasury and eligible Government securities and in the development of the telegraphic securities-transfer procedure. Treasury securities and securities issued by the Farmers Home Administration (Certificates of Beneficial Ownership), Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the United States Postal Service are eligible to be held by Federal Reserve Banks for member banks in book-entry form.

In addition to the Agencies enumerated above, a book-entry regulation for the Federal National Mortgage Association was published in the *Federal Register* on March 26, 1974, effective April 25, 1974. In accordance with that regulation, eligible securities issued by the Federal National Mortgage Association deposited with this Bank for safekeeping on or after May 3, 1974 will be converted into book-entry form.

For your information, the Federal National Mortgage Association was partitioned, effective September 1, 1968, into two separate and distinct corporations — the Federal National Mortgage Association and the Government National Mortgage Association. Certain obligations of the Federal National Mortgage Association, including mortgage-backed bonds *guaranteed* by the Government National Mortgage Association, but excluding Federal National Mortgage Association short-term discount notes and obligations convertible into common stock, are eligible for the book-entry program.

Prior to September 1, 1968, the participation certificates of the Government Mortgage Liquidation Trust, the Federal Assets Liquidation Trust, and the Federal Assets Financing Trust were obligations of the Federal National Mortgage Association. Such participation certificates, although engraved with the name of the Federal National Mortgage Association, became the direct obligations of the Government National Mortgage Association on September 1, 1968 and are *not* yet eligible for the book-entry program.

To reflect the application of the book-entry procedure to Federal National Mortgage Association securities, we are enclosing copies of the following documents:

(a) Appendix B, "Federal Agencies with Book-Entry Regulations," Revised April 25, 1974, to Operating Circular No. 21.

(b) Appendix C, "Correlation Table of Treasury and Agency Book-Entry Regulations," Revised April 25, 1974, to Operating Circular No. 21.

The above securities are also eligible for telegraphic transfer to other Federal Reserve Districts. Delivery of Federal Agency securities by wire in other Districts can be made only to book-entry accounts maintained in the names of member banks.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK
OF NEW YORK

Appendix B to
Operating Circular No. 21
Revised April 25, 1974

FEDERAL AGENCIES
WITH BOOK-ENTRY REGULATIONS

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

This Appendix contains a list of the Federal Agencies that have issued book-entry regulations substantially in the form of Subpart O of Treasury Department Circular No. 300, and whose bearer securities are issued and maintained by this Bank in book-entry form pursuant to such regulations. Each item in the following list gives the citation of the Agency's book-entry regulation and indicates the securities which are authorized by that Agency to be issued in book-entry form.

1. *United States Postal Service* (39 CFR 761) — effective August 18, 1972. Any obligation of the Postal Service issued under 39 U.S.C. 2005.
2. *Farm Credit Administration* (12 CFR 615) — effective October 20, 1972. Consolidated notes, bonds, debentures, or other similar obligations of the (a) Twelve Federal Land Banks, (b) Thirteen Banks for Cooperatives, and (c) Twelve Federal Intermediate Credit Banks; and systemwide notes, bonds, debentures, or similar obligations of the banks of the Farm Credit System issued under the Farm Credit Act of 1971.
3. *Federal Home Loan Bank Board* (12 CFR 506a) — effective September 14, 1973. Consolidated bonds and consolidated notes of the Federal Home Loan Banks issued by the Federal Home Loan Bank Board under the Federal Home Loan Bank Act, as amended.
4. *Farmers Home Administration* (7 CFR 1873.11) — effective December 6, 1973. Certificates of Beneficial Ownership in Farmers Home Insured Note Trusts issued under 7 U.S.C. 1932.
5. *Federal National Mortgage Association* (24 CFR 81.6) — effective April 25, 1974. Any obligation of the corporation (except short-term discount notes and obligations convertible into shares of common stock) issued under 12 U.S.C. 1719(b), (d), and (e).

This Appendix supersedes Appendix B, Revised effective December 6, 1973, to Operating Circular No. 21.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK
OF NEW YORK

Appendix C to
Operating Circular No. 21
Revised April 25, 1974

CORRELATION TABLE
OF TREASURY AND AGENCY BOOK-ENTRY REGULATIONS

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The table on the reverse side correlates the sections of Subpart O of Treasury Department Circular No. 300 to the corresponding section numbers in the book-entry regulations of the Federal Agencies listed in Appendix B to our Operating Circular No. 21.

This Appendix supersedes Appendix C, Revised effective December 6, 1973, to Operating Circular No. 21.

ALFRED HAYES,
President.

(OVER)

CORRELATION TABLE

<i>Subpart 0</i>		<i>U.S. Postal Service (39 CFR 761)</i>	<i>Farm Credit Administration (12 CFR 615)</i>	<i>Federal Home Loan Bank Board (12 CFR 506a)</i>	<i>Farmers Home Administration (7 CFR 1873.11)</i>	<i>Federal National Mortgage Association (24 CFR 81.6)</i>
<i>Section Name</i>	<i>Section Number</i>					
Definition of terms	§ 306.115	§ 761.1	§ 615.5450	§ 506a.1	§ 1873.11	§ 81.6
Authority of Reserve Banks	§ 306.116	§ 761.2	§ 615.5455	§ 506a.2	§ 1873.12	§ 81.7
Scope and effect of book-entry procedure	§ 306.117	§ 761.3	§ 615.5460	§ 506a.3	§ 1873.13	§ 81.8
Transfer or pledge	§ 306.118	§ 761.4	§ 615.5465	§ 506a.4	§ 1873.14	§ 81.9
Withdrawal of Treasury securities ..	§ 306.119	§ 761.5	§ 615.5470	§ 506a.5	§ 1873.15	§ 81.10
Delivery of Treasury securities	§ 306.120	§ 761.6	§ 615.5475	§ 506a.6	§ 1873.16	§ 81.11
Registered bonds and notes	§ 306.121	§ 761.7	—	§ 506a.7	§ 1873.17	§ 81.12
Servicing book-entry Treasury securities; payment of interest, payment at maturity or upon call	§ 306.122	§ 761.8	§ 615.5480	§ 506a.8	§ 1873.18	§ 81.13