### §81.95 Withdrawal of Fannie Mae securities.

For all book-entry Fannie Mae securities issued prior to March 10, 1978:

(a) A depositor of book-entry Fannie Mae securities may withdraw them from a Reserve bank by requesting delivery of like definitive Fannie Mae securities to itself or on its order to a transferee.

(b) Fannie Mae securities which are actually to be delivered upon withdrawal may be issued either in registered or in bearer form.

#### § 81.96 Delivery of Fannie Mae securities.

A Reserve bank which has received Fannie Mae securities and effected pledges, made entries regarding them, or transferred or delivered them according to the instructions of its depositor is not liable for conversion or for participation in breach of fiduciary duty even though the depositor had no right to dispose of or take other action in respect of the securities. Customers of a member bank or other depositary (other than a Reserve bank) may obtain Fannie Mae securities only by causing the depositor of the Reserve bank to order the withdrawal thereof from the Reserve bank under the conditions set forth in §81.95.

#### §81.97 Registered bonds and notes.

No formal assignment shall be required for the conversion to bookentry Fannie Mae securities of registered Fannie Mae securities held by a Reserve bank (in either its individual capacity or as Fiscal Agent of the United States) on the effective date of this part for any purpose specified in § 81.93(a). Registered Fannie Mae securities deposited thereafter with a Reserve bank for any purpose specified in §81.93 shall be assigned for conversion to bookentry Fannie Mae securities. The assignment, which shall be executed in accordance with the provisions of subpart F of 31 CFR part 306, so far as applicable, shall be to "Federal Reserve Bank of as Fiscal Agent of the Federal National Mortgage Association, for conversion to bookentry Fannie Mae securities."

# § 81.98 Servicing book-entry Fannie Mae securities; payment of interest; payment at maturity or upon call.

Interest becoming due on book-entry Fannie Mae securities shall be charged to Fannie Mae's account at the New York Federal Reserve Bank on the interest due date and remitted or credited in accordance with the depositor's instructions. Such securities shall be redeemed and charged to Fannie Mae's account at the New York Federal Reserve Bank on the date of

maturity, call or advance refunding, and the redemption proceeds, principal and interest, shall dispose of in accordance with the depositor's instructions.

### §81.99 Treasury Department regulations; applicability to Fannie Mae.

The provisions of Treasury Department Circular No. 300, 31 CFR part 306 (other than subpart O), as amended from time to time, shall apply, insofar as appropriate, to obligations of Fannie Mae for which a Reserve bank shall act as Fiscal Agent of Fannie Mae and to the extent that such provisions are consistent with agreements between Fannie Mae and the Reserve banks acting as Fiscal Agents of Fannie Mae. Definitions and terms used in Treasury Department Circular No. 300 should read as though modified to effectuate the application of the regulations to Fannie Mae.

#### **Subpart I—Other Provisions**

#### §81.101 Equal employment opportunity.

Fannie Mae and Freddie Mac shall comply with sections 1 and 2 of Executive Order 11478 (3 CFR, 1966–1970 Compilation, p. 803), as amended by Executive Order 12106, (3 CFR, 1978, Compilation, p. 263), providing for the adoption and implementation of equal employment opportunity, as required by section 1216 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833e).

### § 81.102 Independent verification authority.

The Secretary may independently verify the accuracy and completeness of the data, information, and reports provided by each GSE, including conducting on-site verification, when such steps are reasonably related to determining whether a GSE is complying with 12 U.S.C. 4541–4589 and the GSE's Charter Act.

Dated: November 21, 1995. Henry G. Cisneros, Secretary.

2. The following Appendices A through F will not appear in the Code of Federal Regulations.

Appendix A—Secretarial Considerations to Establish the Lowand Moderate-Income Housing Goal

#### A. Introduction

#### 1. Establishment of Goal

In establishing the annual Low- and Moderate-Income Housing Goal, the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 requires the Secretary to consider:

- 1. National housing needs;
- 2. Economic, housing, and demographic conditions;
- 3. The performance and effort of the enterprises toward achieving the Lowand Moderate-Income Housing Goal in previous years;
- 4. The size of the conventional mortgage market serving low- and moderate-income families relative to the size of the overall conventional mortgage market; <sup>1</sup>
- 5. The ability of the enterprises to lead the industry in making mortgage credit available for low- and moderate-income families; and
- 6. The need to maintain the sound financial condition of the enterprises.

#### 2. Underlying Data

In considering the statutory factors in establishing these goals, HUD relied upon data from the American Housing Survey, the 1990 Census of Population and Housing, the 1991 Residential Finance Survey, other government reports, the Home Mortgage Disclosure Act (HMDA) reports, and the GSEs. HUD used data provided by the GSEs to determine their financial condition and their prior performance in meeting the needs of low- and moderate-income families. These data included loan-level information on all mortgages purchased by the GSEs in 1993 and 1994.

Section B responds to comments from the GSEs and other commenters on Appendix A in the proposed rule and Section C presents an updated discussion of each of the factors listed above. Section D summarizes the Secretary's rationale for selecting the levels of the Low- and Moderate-Income Housing Goals for 1996 and 1997–99 and thereafter.

## B. Summary and Response to Public Comments

The GSEs and several other commenters furnished comments on Appendix A as it appeared in the proposed rule. Because the GSEs' comments covered all of the points made by other commenters, this appendix refers exclusively to the GSEs' comments. The GSEs took issue with HUD's application of the factors identified in Section A above and the analysis by which HUD determined the levels of the goals. The GSEs commented that Appendix A: (1) confused general housing needs with those for which the GSEs have an

<sup>&</sup>lt;sup>1</sup> "Conventional" mortgages are those which do not carry any government insurance, guarantee, or other obligation. That is, conventional mortgages exclude Federal Housing Administration (FHA), Farmers Home Administration (FmHA), and Veterans Administration (VA) loans.