

prescribed in this subpart on the records of a Reserve Bank.

Date of call means:

(1) With respect to GSE securities issued by Fannie Mae under section 304(d) and (e), the date fixed in the authorizing resolution of the Board of Directors of Fannie Mae on which the obligor will make payment of the security before maturity in accordance with its terms;

(2) With respect to GSE securities issued by Fannie Mae under section 304(b) of the Fannie Mae Charter Act, the date fixed in the offering notice issued by Fannie Mae; and

(3) With respect to GSE securities issued by Freddie Mac, the date fixed in the authorizing resolution of the Board of Directors of Freddie Mac on which Freddie Mac will make payment of the security before maturity in accordance with its terms.

Definitive GSE security means a GSE security in engraved or printed form.

GSE security means any obligation of a GSE (except short-term discount notes and obligations convertible into shares of common stock) issued under the Freddie Mac Act, or sections 304(b), (d), or (e) of the Fannie Mae Charter Act, in the form of a definitive GSE security or book-entry GSE security.

Member bank means any national bank, State bank, or bank or trust company that is member of a Reserve Bank.

Pledge includes a pledge of, or any other security interest in, GSE securities as collateral for loans or advances or to secure deposits of public monies or the performance of an obligation.

Reserve Bank means a Federal Reserve bank and its branches acting as Fiscal Agent of a GSE and, when indicated, acting in its individual capacity or as Fiscal Agent of the United States.

#### § 81.92 Authority of Reserve Banks.

Each Reserve Bank is hereby authorized, in accordance with the provisions of this subpart, to:

(a) Issue book-entry GSE securities by means of entries on its records that shall include the name of the depositor, the amount, the loan title (or series), and maturity date;

(b) Effect conversions between book-entry GSE securities and definitive GSE securities;

(c) Otherwise service and maintain book-entry GSE securities; and

(d) Issue a confirmation of transaction in the form of a written advice (serially numbered or otherwise) that specifies the amount and description of any securities; that is, loan title (or series) and maturity date, sold or transferred, and the date of the transaction.

#### § 81.93 Scope and effect of book-entry procedure.

(a) (1) A Reserve bank as fiscal agent of a GSE may apply the book-entry procedure provided for in this subpart to any GSE securities that have been or are hereafter deposited for any purpose in accounts with it in its individual capacity, under terms and conditions which indicate that the Reserve bank will continue to maintain such deposit accounts in its individual capacity, notwithstanding application of the book-entry procedure to such securities. This paragraph is applicable, but not limited, to securities deposited:

(i) As collateral pledged to a Reserve bank (in its individual capacity) for advances by it;

(ii) By a member bank for its sole account;

(iii) By a member bank held for the account of its customers;

(iv) In connection with deposits in a member bank of funds of States, municipalities, or other political subdivisions; or

(v) In connection with the performance of an obligation or duty under Federal, State, municipal, or local law, or judgments or decrees of courts.

(2) The application of the book-entry procedure under this paragraph shall not derogate from or adversely affect the relationships that would otherwise exist between a Reserve bank in its individual capacity and its depositors concerning any deposits under this paragraph. Whenever the book-entry procedure is applied to such GSE securities, the Reserve bank is authorized to take all action necessary in respect of the book-entry procedure to enable such Reserve bank in its individual capacity to perform its obligations as depository with respect to such GSE securities.

(b) A Reserve bank, as fiscal agent of a GSE, shall apply the book-entry procedure to GSE securities deposited as collateral pledged to the United States under current revisions of Department of the Treasury Circulars Nos. 92 and 176 (31 CFR parts 203 and 202), and may apply the book-entry procedure, with the approval of the Secretary of the Treasury, to any other GSE securities deposited with a Reserve bank, as fiscal agent of the United States.

(c) Any person having an interest in GSE securities that are deposited with a Reserve bank (in either its individual capacity or as fiscal agent of the United States) for any purpose shall be deemed to have consented to their conversion to book-entry GSE securities pursuant to the provisions of this subpart and in the manner and under the procedures prescribed by the Reserve bank.

(d) No deposits shall be accepted under this section on or after the date of maturity or call of the securities.

#### § 81.94 Transfer or pledge.

(a) (1) A transfer or a pledge of book-entry GSE securities to a Reserve bank (in its individual capacity or as fiscal agent of the United States), or to the United States, or to any transferee or pledgee eligible to maintain an appropriate book-entry account in its name with a Reserve bank under this subpart, is effected and perfected, notwithstanding any provision of law to the contrary, by a Reserve bank making an appropriate entry in its records of the securities transferred or pledged. The making of such an entry in the records of a Reserve bank shall:

(i) Have the effect of a delivery in bearer form of definitive GSE securities;

(ii) Have the effect of a taking of delivery by the transferee or pledgee;

(iii) Constitute the transferee or pledgee a holder; and

(iv) If a pledge, effect a perfected security interest therein in favor of the pledgee.

(2) A transfer or pledge of book-entry GSE securities effected under paragraph (a) of this section shall have priority over any transfer, pledge, or other interest, theretofore or thereafter effected or perfected under paragraph (b) of this section or in any other manner.

(b) A transfer or a pledge of transferable GSE securities, or any interest therein, that is maintained by a Reserve bank (in its individual capacity or as fiscal agent of the United States) in a book-entry account under this subpart, including securities in book-entry form under § 81.93(a)(3), is effected, and a pledge is perfected, by any means that would be effective under applicable law to effect a transfer or to effect and perfect a pledge of the GSE securities, or any interest therein, if the securities were maintained by the Reserve bank in bearer definitive form. For purposes of transfer or pledge hereunder, book-entry GSE securities maintained by a Reserve bank shall, notwithstanding any provision of law to the contrary, be deemed to be maintained in bearer definitive form. A Reserve bank maintaining book-entry GSE securities either in its individual capacity or as fiscal agent of the United States is not a bailee for purposes of notification of pledges of those securities under this section, or a third person in possession for purposes of acknowledgment of transfers thereof under this paragraph. Where transferable GSE securities are recorded on the books of a depository (a bank,