



Products & Services Update

March 11, 2019

TO: All Members

SUBJECT: New Uniform Mortgage-Backed Security Available in June

On June 3, 2019, Fannie Mae and Freddie Mac will begin issuing a new, common To-Be-Announced (TBA) eligible security known as a Uniform Mortgage-Backed Security (UMBS). A UMBS can be issued and guaranteed by either Fannie Mae or Freddie Mac and is backed by fixed-rate 30-, 20-, 15- or 10-year single-family mortgage loans.

FHLBank members/customers that currently hold Freddie Mac Gold securities will have the option to exchange them for the new UMBS beginning in May.

Important dates:

- **75-120 days prior to go-live** – UMBS forward trading begins
- **May 7, 2019** – Exchange of Freddie Mac Gold Participation Certificates opens for booking
- **June 3, 2019** – Go-live: Fannie Mae and Freddie Mac begin issuing new UMBS. New Freddie Mac Gold securities will no longer be issued.
- **Approx. 15 days after go-live** – First UMBS settlement (expected approximately 90 days after the start of forward trading)

More information about this exchange and how it could impact securities held in custody at FHLBank and/or pledged as FHLBank advance collateral will be shared next month. In the meantime, please refer to the following resources for more information:

- [Freddie Mac single security website](#)
- [Fannie Mae single security website](#)
- [The Single Security Initiative Market Adoption Playbook](#)