



## Products & Services Update

April 29, 2019

**TO: All Members**

**SUBJECT: Exchanging Agency Securities for the New Uniform Mortgage-Backed Securities**

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 hold Freddie Mac Gold securities will have the option to exchange them for the new UMBS beginning May 7, following these procedures:

- **If your institution plans to exchange any securities held in custody at FHLBank**, you must complete and submit [this form](#) to FHLBank at least two business days prior to the exchange date.
- **If your institution plans to exchange securities that are pledged as FHLBank advance collateral**, please contact us prior to initiating the exchange by calling 800-288-3400, option 2. FHLBank will review the potential effects that the exchange may have on your maximum borrowing capacity and may require additional securities or cash during the exchange to cover any potential shortfalls.
- Exchanges **must be executed through an authorized securities dealer** (not done directly through Freddie Mac).

UMBS exchanges cannot be completed through the Bank4Banks® website, but all UMBS exchanges will be subject to the Bank4Banks security exchange fee of \$6 for each buy or sell.

For more information about UMBS, please refer to the following resources or contact FHLBank at 800-288-3400, option 2.

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

*"Bank4Banks" is a registered trademark of the Federal Home Loan Bank of Pittsburgh.*