

Procedures for Pledging Investment Securities

Overview

The Federal Reserve Bank of Atlanta (FRB ATL) can accept a variety of investment grade quality investment securities. More information on the types of securities eligible to be pledged to the Discount Window (and other various programs) can be found on the following website:

<http://www.frb.discountwindow.org>.

How To Pledge

To pledge government guaranteed securities (i.e., US treasuries, Agency collateralized mortgage obligations, etc), proceed to the *National Book Entry System* (NBES) procedures. To pledge other United States denominated securities (i.e., corporate bonds, municipal bonds, private-labeled collateralized mortgage obligations, etc.), proceed to the *Depository Trust Company* (DTC) procedures. Foreign denominated securities can be pledged via *Euroclear/Clearstream* (contact FRB ATL).

National Book Entry System Procedures

An NBES Pledge Arrangement may be available to your institution if it wishes to pledge securities that it holds through NBES to the FRB ATL. Prior to pledging any NBES-held securities to the FRB ATL, contact the FRB ATL to ensure the proper documentation has been executed. Please contact the Discount Window/Collateral Team for further information about the arrangement.

To pledge/release any NBES-held securities to/from FRB ATL, your institution must initiate instructions with NBES at the Federal Reserve Bank of Kansas City (800-333-2448). Have CUSIP information readily available.

Depository Trust Company Procedures

A DTC Pledge Arrangement may be available for your institution if it wishes to pledge securities that it holds through DTC to the Federal Reserve Bank of Atlanta ("FRB ATL"). Please contact the Discount Window/Collateral Team for further information about the arrangement.

For all transactions, have the following information available:

- CUSIP
- Par Amount
- Pledgee Code for FRB ATL (#609)
- Purpose Code (see below)
- Your institution's ABA number

DTC Purpose Code	Code Description	FRB Account Code
01	FRB	U102
02	Treasury Tax & Loan (TT&L)	T108
03	Circular 176	Varies
04	Term Investment Option (TT&L TIO)	T108

To **pledge** any DTC-held securities to FRB ATL, your institution must:

- Instruct DTC to transfer the securities to FRB ATL's pledged account (#0609) at DTC with the appropriate purpose code. If your institution is not a direct participant at DTC, direct your institution's DTC correspondent to transfer the securities to FRB ATL's pledged account at DTC. Pledges of eligible securities will be processed by the FRB ATL's collateral management system. Any ineligible securities that your institution attempts to pledge will be rejected by the FRB ATL.

To **release** any DTC-held securities from the FRB ATL's pledged account at DTC, your institution must:

- Instruct DTC to request a release of the securities from the FRB ATL's pledged account (#0609) at DTC. If your institution is not a direct DTC participant, direct your institution's DTC correspondent to request the release of the securities. DTC will finalize the transfer after FRB ATL approves its release from its collateral management system.

FRB ATL will accept deposit and withdrawal requests made through DTC from 8:00 a.m. until 5:00 p.m. ET. Requests for deposits and withdrawals received outside of the designated processing times will be rejected.

Contact Information

Contact the Discount Window/Collateral Team at FRB ATL (888-500-7390) to obtain further information concerning processes and/or eligibility.