

IMPORTANT NOTICE

Fixed Income Clearing Corporation



#: MBS180.09
Date: October 1, 2009
To: Fixed Income Clearing Corporation Participants
Subject: Implementation of Confirmation of an OFAC Program SR-FICC-2009-09

On August 27, 2009, the Government Securities Division (“GSD”) and the Mortgage-Backed Securities Division (“MBSD”) of the Fixed Income Clearing Corporation (“FICC”) notified Participants and Members of FICC’s Proposed Rule Change SR-FICC-2009-09. This rule filing clarified the Government Securities Division Rulebook and the Mortgage-Backed Securities Division Clearing Rules regarding the economic sanctions and embargo programs administered and enforced by the Office of Foreign Assets Control (“OFAC”). The purpose of this notice is to announce the upcoming implementation of the requirement that Netting Members of GSD (“Netting Members”) and Clearing Participants of MBSD (“Clearing Participants”), who are subject to the jurisdiction of the United States, provide FICC with a “Confirmation of an OFAC Program” letter (hereinafter, “the OFAC Letter”). For more information, please refer to rule filing SR-FICC-2009-09, available at www.dtcc.com.

The OFAC Letter is intended to evidence that the Netting Member or Clearing Participant has (i) the primary relationship with the customers for whom it is conducting activity through FICC and (ii) implemented a risk-based program reasonably designed to comply with applicable OFAC sanctions and regulations.

The OFAC Compliance Officer, Chief Compliance Officer or other individual with responsibility for managing the OFAC compliance program for Netting Members or Clearing Participants is now required to execute and submit the OFAC Letter to FICC. FICC will begin distributing the OFAC Letter to Netting Members and Clearing Participants on October 1, 2009. The OFAC Letter will also be available via the Legal & Regulatory portion of DTCC’s website at <http://www.dtcc.com/legal/compliance/>. The validly executed OFAC Letter must be returned to FICC **no later than March 31, 2010**. Electronic versions of the executed OFAC Letter should be returned to FICC’s email address established specifically for this purpose, which is OFAC_Certification@dtcc.com. Paper copies of the executed OFAC Letter can be sent to:

The Fixed Income Clearing Corporation
c/o The Depository Trust & Clearing Corporation
55 Water Street
New York, NY 10041
Attention: OFAC Officer

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

Netting Members or Clearing Participants who fail to provide a validly executed OFAC Letter to FICC on or before March 31, 2010 will be subject to a \$5,000 fine.

In addition to the initial OFAC Letter, each Netting Member and Clearing Participant is required to execute an updated OFAC Letter every two years from the date in which the initial OFAC Letter was executed. As a reminder of this requirement, FICC will issue an Important Notice on or about the first day of October every other year.

General questions regarding this notice may be directed to your Relationship Manager. Specific questions related to the completion of the OFAC Letter should be directed to Peter Le Piane (212-855-5606) or Grace Santiago-Darvish (212-855-2653).