

Quick Reference Guide

CLEARING FUND MANAGEMENT (CFM) – QUICK REFERENCE GUIDE

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DTCC Controlled: Non-Confidential

About Clearing Fund Management (CFM)

Overview

The Clearing Fund Management (CFM) application allows you to view your clearing fund requirements and to calculate the effect on the fund of depositing a specific security.

GSD and MBSD customers can access real-time information. The benefits include:

- · Real-time access to the Clearing Fund requirement and deposits
- Ability to calculate the Clearing Fund required deposit value based on various combinations of eligible securities
- Ability to initiate and submit on-line requests to change Clearing Fund composition (e.g. deposit/w ithdraw al/substitution). This eliminates the need to fax changes to composition requests to FICC.

Eligible instruments

- U.S. cash
- U.S. Treasury: bills, notes, bonds, TIPS, STRIPS (no TIPS STRIPS)
- U.S. agencies: notes, bonds, and zeros
- Pass-through securities (MBS)

Eligible securities

- Securities from the following agencies were approved as Clearing Fund eligible:
 - Fannie Mae (FNMA)
 - Farmer Mac
 - Federal Farm Credit Banks
 - Freddie Mac (FHLMC)
 - Federal Home Loan Banks (FHLB)
 - Financing Corporation
 - Tennessee Valley Authority (TVA)
 - Resolution Trust Funding Corporation (RTFC)
- All securities eligible for the Clearing Fund must be
 - DTC eligible
 - Highly rated by either Moody (AAA/Aaa) or S&P (AAA)
- All Treasuries and Agencies eligible for Clearing Fund must be fixed-rate, GSDnetting eligible.

FICC requires that a participant maintain

- Ten percent of required deposit in cash, with a maximum cash requirement of \$5,000,000 and a minimum cash requirement of \$100,000.
- A minimum of 40 percent of the required deposit in cash and Treasuries.
- The remaining required deposit in cash, U.S. Treasury securities, government
 agency securities, and mortgage-backed securities issued by government
 agencies or entities sponsored by the federal government, subject to applicable
 concentration limits and haircuts as contained in:

http://dtcc.com/~/media/Files/Dow nloads/legal/rules/ficc gov rules.pdf
http://dtcc.com/~/media/Files/Dow nloads/legal/rules/ficc mbsd rules.pdf



Viewing Clearing Fund Information

Use this procedure to view the current clearing fund status for a selected account.

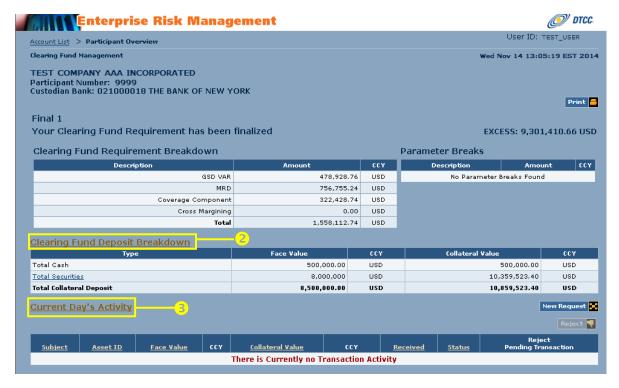
1. On the Account List page select the account identification number of the account you want to find information for.

The Participant Overview page appears, displaying the collateral breakdown information and the available collateral amount, excess or deficit for that account.

Note: You can withdraw any amount greater than zero, but you must pay any amount less than zero.

- Click on Clearing Fund Deposit Breakdown to view a breakdown of the deposit.
- Click on Current Day's Activity to view the status of previous requests: Pending, Approved, or Rejected.







The Participant Overview displays the detailed information.



Clearing Fund Deposit Breakdown

Current Day's Activity

Creating a Substitution

Use this procedure to create a collateral substitution or to obtain a system response to a hypothetical scenario for collateral substitution.

1. On the Participant Overview screen, click New Request.

The Asset Substitution page appears.





- In the Withdrawal section, select the asset type in the Asset Type field.
- Type the face value in the Face Value field.

Note: In the **Payment** field, the payment type is already selected for GSD and MBSD customers.

4. In the **Deposit** section select the asset type in the **Asset Type** field.

You can select one of the following:

- Cash
- Securities

Note: You can only select **Cash** in the case of a *what if* scenario. Cash to be applied to a collateral substitution request must be wired to the appropriate FICC account in order to obtain credit for that deposit.

5. Enter the asset identifier in the Asset ID field.

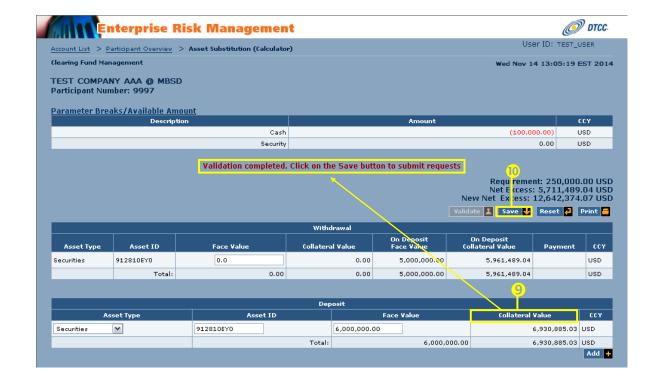
Note: When **Cash** is selected in the **Asset Type** field this field is pre-filled.

- 6. Type the face value in the Face Value field.
- Optional. Click Add to add more asset types.
- 8. Click Validate at the top of the page.



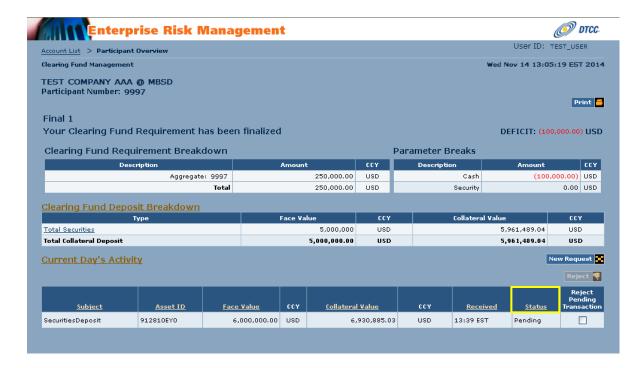


- The system calculates the collateral value, displays it in the Collateral Value field and returns a message validating or rejecting your request.
- 10. Click Save to process your substitution request.





A message appears confirming your request and the Participant Overview page displays the request as **Pending**.





Making a Deposit

Use this procedure to create a deposit collateral transaction request or to obtain a system response to a hypothetical scenario for a cash deposit.

On the Participant Overview page, click New Request.

The Asset Substitution page appears.





In the Deposit section select the asset type in the Asset Type field.

You can create deposit collateral transaction requests for:

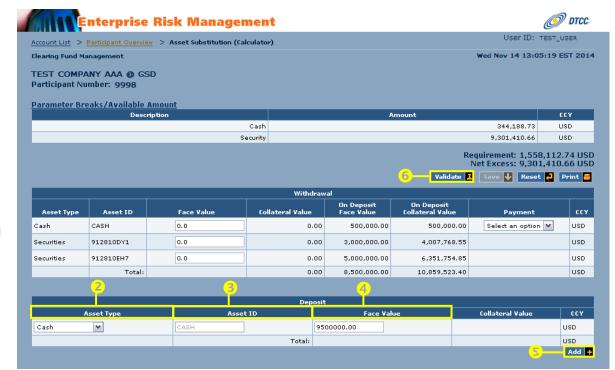
- Cash
- Securities

Note: You can only select **Cash** for a *what if* scenario. Cash must be wired to the appropriate FICC account in order to obtain credit for a deposit.

3. Enter the asset identifier in the Asset ID field.

Note: When **Cash** is selected in the **Asset Type** field, this field is already filled.

- Type the face value in the Face Value field.
- 5. Optional. Click the Add button to add more asset types.
- 6. Click Validate at the top of the page.

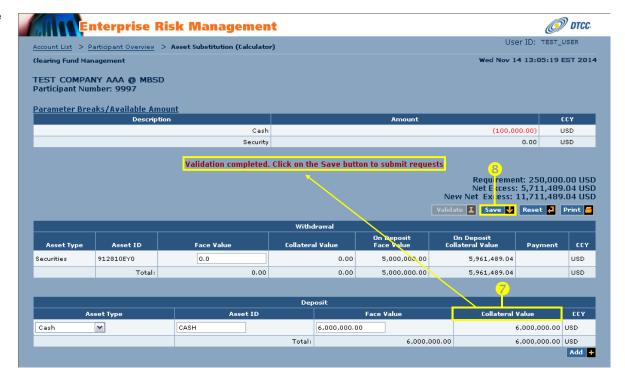




7. The system calculates the collateral value and displays it in the **Collateral Value** field.

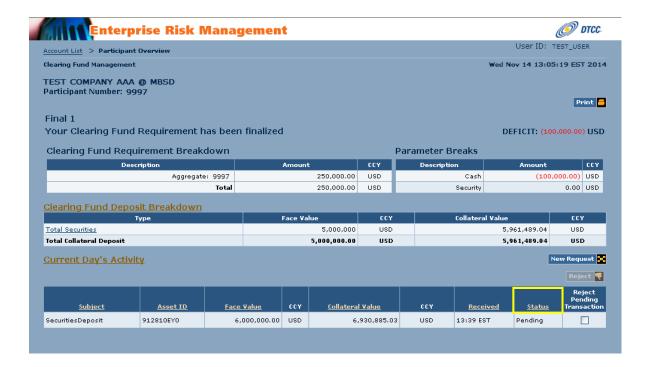
A message validating or rejecting your request appears.

8. If your request is validated, click **Save** to process the deposit.





A message appears confirming your request and the Participant Overview page displays the request as **Pending**.



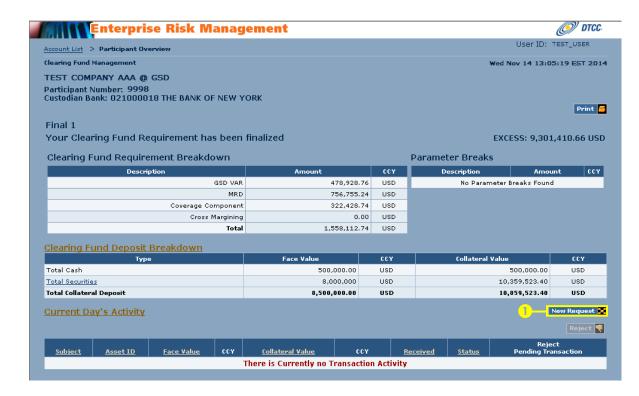


Requesting a Withdrawal

Use this procedure to create a withdraw al collateral transaction request or to obtain a system response to a hypothetical scenario for a cash withdraw al.

1. On the Participant Overview screen, click New Request.

The Asset Substitution page appears.

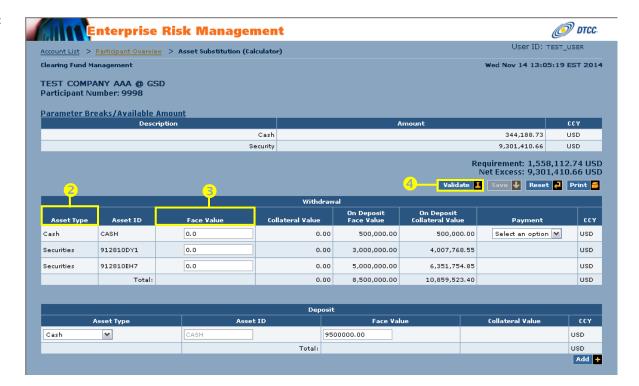




- In the Withdrawal section, select the asset type in the Asset Type field.
- 3. Type the face value in the Face Value field.

Note: In the **Payment** field, the payment type is already selected for GSD and MBSD customers.

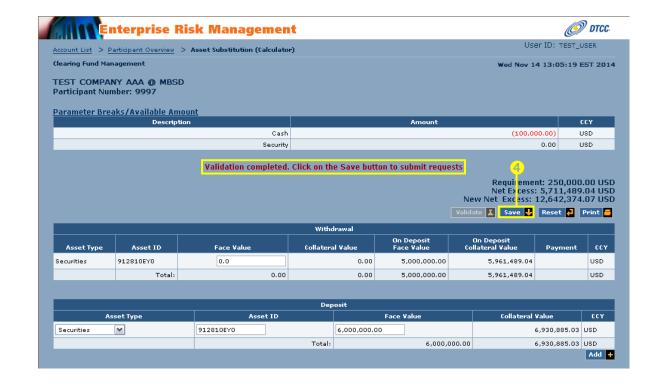
4. Click Validate at the top of the page.





The system calculates the collateral value and returns a message validating or rejecting your request.

5. Click **Save** to process your request if it is validated.





A message appears confirming your withdrawal request and the Participant Overview page displays the request as **Pending**.





Rejecting a Request

Use this procedure to reject a previously submitted request.

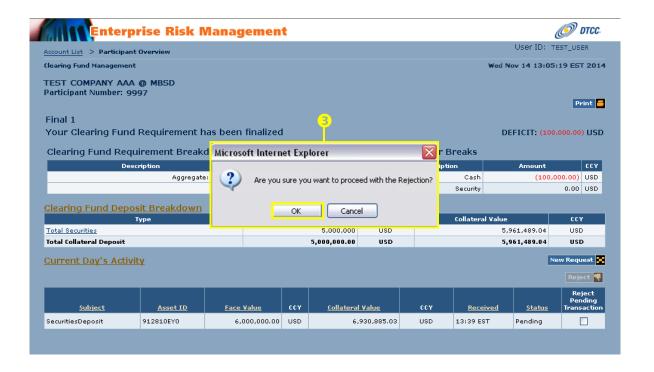
- In the Current Day's Activity section on the Participant
 Overview page, check the box in the Reject Pending
 Transaction field next to the activity you want to reject.
- Click Reject.

The message "Are you sure you want to proceed with the Rejection?" appears.





8. Click **OK** to proceed with the rejection.





A message appears verifying that your request has been submitted and updated.

The Participant Overview page displays the transaction status as **Rejected** in the Status field.





Looking Up Historical Data

Use this procedure to look up historical data for any deposit or withdraw almade to an account.

 In the upper right corner of the Participant Overview page, click the Historical Data link.

The Historical Data page appears.





2. In the **Activity Section**, select a **From Date** and a **To Date** to establish your historical search parameters.

Note: You may search up to 10 years in the past for historical CFM deposit/withdrawals record data.

Click Search.

The **Collateral Activity Section** appears, displaying the record data for the historical period selected.



