

MBS #:	MBS009.14
Date:	January 8, 2014
To:	Mortgage-Backed Securities Division Members
Category:	Service Update
Subject:	New MBS Billing Application

Effective with the January 2014 billing cycle, the Mortgage-Backed Securities Division (“MBS”) of the Fixed Income Clearing Corporation (“FICC”) will utilize a new and improved billing application. The following will highlight the new billing application and its enhancements:

Enhanced Billing Invoice

- The initial page of the new billing invoice will recap the total fees each account that had any activity for the billing month.
- Activity will be reported in both terms of par value/current face as well as units.
- An aggregate page will reflect the total fees across all accounts (Clearing, EPN and Pool Netting fees are reported separately).
- Activity for each account will be reported individually and reflect the total fees across all accounts (Clearing, EPN and Pool Netting fees are reported separately).
- The MBS website will be updated to include a new “Fee Guide” prior to the end of the month. Please note, there have been no changes to fees at this time.

Billing Invoice Access

- Beginning with January 2014 transactions and going forward, the MBS billing invoices will be housed within the DTCC I-Bill environment.
- The MBS website will be updated to include a user guide for I-Bill prior to the end of the month.
- Access to the I-Bill environment requires each member firm to have at least two Super Access Coordinators (“SAC”).
- Current MBS Registered Access Coordinators (“RAC”) will be grandfathered in as SACs. In instances where an additional SAC is needed, members have been previously contacted.
- Members who wish to confirm or update their SAC should contact their Relationship Manager.
- All MBS billing invoices that are currently available via the MBS RTTM Report Center application will be retained there for historical purposes and remain available to each member.

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Non-Confidential

Emailing of Billing Invoices

- Beginning with the January 2014 and going forward, all MBSD billing invoices will be emailed to each MBSD member.
- Members who wish to confirm or update their email contacts should contact their Relationship Manager.

New Reports

- All new reports will be available via the MBSD RTTM Report Center (in the Billing Folder).
- Each month members will have access to three “Customer Ranking Reports”.
- Clearing version will reflect current month “Trade Sides and Par Value” totals and the ranking for the month as well as Year-To-Date reporting.
- EPN version will reflect current month “ON Messages/Current Face & Number of Pools” and the ranking for the month as well as Year-To-Date reporting (Note: Send and Receive activity will be reported separately).
- Pool Netting version will reflect current month “PID Sides Compared and Current Face” and the ranking for the month as well as Year-To-Date reporting.
- Members will also have access to a Trade Date Compliance Report. This report will reflect the par value submitted on Trade Date, Trade Date +1 and Trade Date +2 and beyond for the current month as well as Year-To-Date. Note, this information will initially only be available at the participant number level.

Cash Obligation Type Change

- MBSD bills will continue to be part of the Class B Payable Date funds settlement process.
- Upon implementation of the new billing application all MBSD fees will be consolidated into a single cash settlement obligation type of “FEE”. The new MBSD billing invoice will provide a detailed breakdown of Clearing, EPN and Pool Netting fees.

Payment Options

- A credit card payment option will be made available to MBSD participants beginning with the January 2014 billing cycle.
- Members interested in this option will need to execute and submit an Epay form (please contact your Relationship Manager for a copy of this form).
- If no payment change is requested, collection for the invoice amount due will continue to be handled the same as with past invoices.

SMART Fees

- Currently the MBSD bill includes the previous month’s SMART fees.
- MBSD billing will no longer include SMART fees starting with the January 2014 billing cycle.
- Beginning with the February a new COI type (“SMT”) will be generated to satisfy a member’s current month’s SMART fees and be payable via the following month’s Class B Payable Date.
- January SMART fees will be payable via miscellaneous COI (“MIS”) via the February Class B Payable event
- An example of how SMART fees will be managed is as follows:

SMART Fee Event	Paid Via.....
December SMART Fees	January MBSD Bill
January SMART Fees	"MSC" COI Payable via February Class B Payable
February SMART Fees	"SMT" COI Payable via March Class B Payable
March SMART Fees	"SMT" COI Payable via April Class B Payable
April SMART Fees	"SMT" COI Payable via May Class B Payable

- All future SMART fees will follow the same process as shown above for February, March and April
- Contact George Parasole (212.855.7670 / gparasole@dtcc.com) with any questions regarding SMART fees.

Please contact your Relationship Manager with any questions.