



Important Notice

Fixed Income Clearing Corporation - MBSD

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| MBS #: | MBS044.14 |
| Date: | March 14, 2013 |
| To: | Mortgage-Backed Securities Division Members |
| Category: | Service Update |
| Subject: | TMPG Fails Charge on Round Robins and Pair-offs |

At the February 11, 2014 TMPG meeting, members discussed and agreed to update the frequently asked questions (FAQs) related to the applicability of the TMPG fails charge trading practice recommendation to round robins and pair-offs. The update states that regardless of whether settlement is achieved through a pair-off, round robin, or other means, a fails claim should apply to all delivery-versus-payment transactions that are not settled on contractual settlement date.

Effective April 1, 2014, FICC will be adhering to this clarification of the TMPG recommendation as FICC will no longer waive the fails charge for round robins and pair-offs settling after contractual settlement date.

Any questions regarding this update should be directed to the MBSD Operations Hotline at 212-855-7886.

Nicholas Botta
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MBSD Clearing Services

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