



Important Notice

Fixed Income Clearing Corporation - MBS

MBS #:	MBS063.14
Date:	March 27, 2014
To:	Mortgage-Backed Securities Division Members
Category:	Service Update
Subject:	Clarification Regarding TMPG Fails Charge on Round Robins and Pair-offs

On March 14, 2014, the Mortgage-Backed Securities Division (“MBS”) of the Fixed Income Clearing Corporation (“FICC”) published Important Notice #MBS044.14 communicating its plans to adhere to the recent change to the TMPG guidelines regarding a fails charge applicable to round robins and pair-offs. As of March 27, 2014 the TMPG has amended its FAQ to state the following:

“In the case of two or more DVP transactions that (a) have the same original contractual settlement date and (b) are ultimately settled via a pair off or round robin, parties need not apply the fails charge. This clarification should remove the risk that some participants might delay settlement in the hope of ultimately pairing off or settling through a round robin, thus avoiding the application of the fails charge.”

In accordance with this update by the TMPG, FICC will no longer be imposing the fails charge for round robins and pair-offs as stated in the Important Notice dated March 14, 2014.

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

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