



MBS #:	MBS030-15
Date:	February 24, 2015
To:	Mortgage-Backed Securities Division (“MBS”) Clearing Participants
Category:	Service Update
Subject:	May 18, 2015 Capped Contingency Liquidity Facility (“CCLF®”) Test

CCLF® was introduced in 2011 (see Important Notice #MBS067.11 dated May 2, 2011) and remains an integral part of MBS’s role as Central Counterparty. MBSD will conduct the annual 2015 **CCLF® test** with all participants on May 18, 2015 in an effort to assess participants’ understanding of CCLF® from an operational perspective and also increase awareness of the potential capital commitment should the CCLF® be invoked.

On May 18, 2015, MBSD will conduct this **test**. The components of the **test** are as follow:

- Opening of business May 18, 2015 all participants will receive a CCLF® Activity Report (via Report Center) reflecting all delivery pool obligations they have versus MBSD which in turn are bound to the defaulting participant.
- During prior CCLF® tests all participants supplied their Relationship Manager with at least two individuals who would support that test. Please contact your Relationship Manager if there are any changes to those contacts for the upcoming May 2015 test.
- As part of this **test**, MBSD will select a participant who will serve as the defaulting member but will not disclose the identity of that participant.
- Upon receipt of the **test** CCLF® Activity Report, participants will identify the pools that they have available to deliver to FICC based on pool positions as of start of day and return the completed **test** CCLF® Activity report to FICC Operations (operations@mbscc.com) by 1:00 (E.T.), Monday, May 18, 2015.

It is important to note that responses from all participants will be required for this **test**.

- **PLEASE NOTE THAT PARTICIPANTS SHOULD NOT WITHHOLD ANY POOL DELIVERIES TO FICC ON MAY 18, 2015**

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