

MBS #:	MBS050-15
Date:	April 2, 2015
To:	Mortgage-Backed Securities Division Clearing Members
Category:	Service Update
Subject:	Reminder: Capped Contingency Liquidity Facility Test - May 18, 2015

Capped Contingency Liquidity Facility (“CCLF®”) was introduced in 2011¹ and remains an integral part of the Mortgage-Backed Securities Division’s (“MBS”) role as central counterparty. On an annual basis, MBS conducts a **CCLF® test** with all Clearing Members in an effort to assess each Member’s understanding of CCLF® from an operational perspective and increase awareness of the potential capital commitment should the CCLF® be invoked.

As noted in Important Notice #MBS030-15, this year’s test will be conducted on Monday, May 18, 2015.²

The components of the **test** are as follow:

- On the opening of business - Monday, May 18, 2015, all Clearing Members will receive a **test** “CCLF® Activity Report” (via the Report Center) reflecting all delivery pool obligations that such Member has versus MBS which in turn are bound to the defaulting member (please note that the Report Center date for this report will be Friday, May 15, 2015).
- During prior CCLF® tests, all Clearing Members 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**, MBS will select a Clearing Member who will serve as the defaulting member but will not disclose the identity of such Member.
- Upon receipt of the **test** “CCLF® Activity Report”, Clearing Members will identify the pools that they have available to deliver to FICC based on pool positions as of the start of day and return the completed **test** “CCLF® Activity Report” to FICC Operations (operations@mbscc.com) by 1:00p.m. (E.T.) on Monday, May 18, 2015.

¹ See Important Notice #MBS067.11 dated May 2, 2011.

² Important Notice #MBS030.15 dated February 24, 2015 is available at www.dtcc.com.

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

**PLEASE NOTE THAT CLEARING MEMBERS SHOULD NOT WITHHOLD ANY
POOL DELIVERIES TO FICC ON MONDAY, MAY 18, 2015**

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