

MBS #:	MBS076-15
Date:	June 16, 2015
To:	Mortgage-Backed Securities Clearing Members
Category:	Service Update
Subject:	Cash Settlement Obligation Update

On June 16, 2015 FICC identified two issues with the cash settlement obligations scheduled to be settled that day:

- The Pool Netting Transaction Adjustment Payment (TAP) and Clearance Adjustments (CLA) were overstated.
- While reflected on the day's Cash Settlement Detail Report three cash settlement obligations types (Novation Prefunding (NOV), May 2015 Clearing Fund Interest (PFI) and Broker Commissions (CMS)) were not included in the files that are sent by MBSD to the cash settling banks.

MBSD corrected the values on the Pool Netting Transaction Adjustment Payment (TAP) and Clearance Adjustments (CLA) cash settlement obligations and forwarded corrected files to the cash settlement banks for execution and posted updated Cash Settlement Detail Reports to the MBSD Report Center by 1:15 p.m. (EST).

However MBSD was unable to include the three cash settlement obligations types (Novation Prefunding (NOV), May 2015 Clearing Fund Interest (PFI) and Broker Commissions (CMS)) in the corrected files sent to the cash settlement banks. MBSD will create new cash settlement obligations with a due date of June 17, 2015 which will be incorporated in that day's files to the cash settling banks.

Please contact your Relationship Manager with any questions

George Parasole

Director, Clearing Services/FICC

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