



Important Notice

Fixed Income Clearing Corporation - MBS

MBS #:	MBS920-20
Date:	October 12, 2020
To:	Mortgage-Backed Securities Division Clearing Members
Category:	Service Update
Subject:	Introduce the Margin Liquidity Adjustment Charge and Include a Bid-Ask Risk Charge in the VaR Charge

MBSD has proposed to introduce a new component to its Clearing Fund methodology, the Margin Liquidity Adjustment Charge (MLA), and to enhance the calculation of the VaR Charge by including a bid-ask spread risk charge. These proposed changes are described in proposed rule change SR-FICC-2020-008 and advance notice SR-FICC-2020-802 (“Filings”).

Subject to the SEC’s approval of the Filings, MBSD plans to implement this enhancement effective **October 19, 2020**. MBSD is providing this notice to its Members of the expected implementation timing and will provide an updated notice of the effective date of these changes prior to October 19.

The full text of the Rule Filing may be obtained by visiting the DTCC website at www.dtcc.com/legal/sec-rule-filings.aspx.

Questions regarding this Important Notice should be directed to your Relationship Manager.

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