



## Important Notice

### Fixed Income Clearing Corporation - MBSD

<b>MBS #:</b>	MBS1171-22
<b>Date:</b>	December 21, 2022
<b>To:</b>	Mortgage-Backed Securities Division Clearing Members
<b>Category:</b>	Service Updates
<b>Subject:</b>	Capped Contingency Liquidity Facility (“CCLF®”) Reset Reminder and Adjustable Percentage Update

The Mortgage-Backed Securities Division (“MBSD”) of the Fixed Income Clearing Corporation (“FICC”) will reset the CCLF® requirement for all Clearing Members that selected Option 1 or 2 on the Officers’ Certificate. The reset will be effective as of **January 3, 2023**.

With the reset, FICC will change the adjustable percentage from 80% to 90% for purposes of calculating the Defined Capped Liquidity Amount (“MBSD CCLF Cap”) applicable to Clearing Members that selected Option 1 or 2.

Impacted Clearing Members can view the projected change to MBSD CCLF Cap by multiplying the 90% adjustable percentage to “Current Period Rolling Max” field of the daily CCLF® report available via “MBS Liquidity” section of Report Center. FICC believes the increased adjustable percentage will help to ensure that MBSD maintains sufficient liquidity resources for CCLF® should peak liquidity needs increase since the size of total CCLF® is expected to be significantly lower following the reset.

Options 1 and 2 are defined as follows:

***Option 1 - The member is eligible for and has established borrowing privileges at the Federal Reserve Bank Discount Window.***

***Option 2 - The member has an affiliate that is eligible for and has established borrowing privileges at the Federal Reserve Bank Discount Window for the Member.***

Clearing Members that selected Option 3 on the Officers’ Certificate will continue to have their CCLF® requirements reset on a monthly basis and no change is proposed to the adjustable percentage applicable to those Clearing Members. Option 3 is defined as follows:

***Option 3 - The member is ineligible for or has not established borrowing privileges at the Federal Reserve Bank Discount Window either directly or through an affiliate.***

All members are reminded that:

(a) as reflected in the Officers’ Certificate, each Clearing Member has certified that the CCLF® requirement provided by MBSD will be incorporated into such Member’s liquidity planning.

(b) on a daily basis, CCLF® requirements are available via the “MBS Liquidity” section of Report Center.

Please direct any questions to your Relationship Manager.

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