



MBS #:	MBS1095-22
Date:	May 23, 2022
To:	Mortgage- Backed Securities Division Clearing Members
Category:	Service Update
Subject:	Deterministic Risk Component Testing in Cash Only Settlement

As stated in Important Notice [MBS1081-22](#) on April 8, 2022, Fixed Income Clearing Corporation (“FICC”) filed a proposed rule change (SR-FICC2022-002) (“Rule Filing”) with the Securities and Exchange Commission pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934, as amended. The purpose of the Rule Filing is to amend the Mortgage-Backed Securities Division Clearing Rules (“Clearing Rules”) to move certain Deterministic Risk Component items (Mark-to-Market items, cash obligation items and accrued principal and interest) from the Required Fund Deposit calculation to Cash Settlement, revise certain thresholds in the Intraday Mark-to-Market Charge, establish a new Intraday VaR Charge and make certain other clarifications to the Clearing Rules.

This notice is a reminder that the testing window opened on May 9, 2022 and will be closing on June 3, 2022. MBS Clearing Members are strongly encouraged to test the new Cash Only Settlement obligation items before the testing window closes. The suggested testing actions are included in the slide deck from the May 4, 2022, client webinar. To view the slide deck first log into DTCCLearning.com and then click [here](#) to open the slide deck.

For any questions, please reach out to your Relationship Manager.

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