



<b>MBS #:</b>	MBS1102-22
<b>Date:</b>	June 7, 2022
<b>To:</b>	Mortgage- Backed Securities Division Clearing Members
<b>Category:</b>	Service Update
<b>Subject:</b>	Deterministic Risk Component Testing in Cash Only Settlement <b>2nd Extension and Changes</b>

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 has been **extended to close on June 17, 2022**. In addition, two items that were scheduled to move from the Deterministic Risk Component report to the Cash Only Settlement report are being eliminated and no longer need to be tested. The items are Due bill P in P&I (SPM) and Due bill I in P&I (SIM).

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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