



*Important Notice*

**Fixed Income Clearing Corporation - MBS**

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| <b>MBS #:</b>    | MBS1112-22   |
| <b>Date:</b>     | July 13 <sup>th</sup> , 2022                         |
| <b>To:</b>       | Mortgage-Backed Securities Division Clearing Members |
| <b>Category:</b> | Service Update                                       |
| <b>Subject:</b>  | EPN DK Processing Reminder                           |

The Mortgage-Backed Securities Division (“MBS”) of Fixed Income Clearing Corporation (“FICC”) would like to remind clients of the guidelines in place for a DK against FICC. In September of 2017 FICC published Important Notice [MBS455-17](#) regarding the lessons learned from the implementation of MBS Operational Novation.

FICC listed a few key guidelines that needed to be followed during the processing of an allocations through FICC. One of the key points covered in those guidelines is the practice of DKing a valid allocation to process a Do Not Allocate (DNA) request. Below are two key points to follow when processing an allocation against FICC.

- I. Please do not DK a valid allocation to process a DNA request. The buyer will be expected to accept delivery of pools on time. Please ensure all intended DNAs are properly processed and corresponding acknowledgements are received from FICC.
- II. FICC strongly encourages its Clearing Members to process DNA requests early on 48hr day. This will reduce the possibility of unwanted allocations to open TBA’s.

Please remember to follow these guidelines when processing an allocation against the FICC.

If there are any questions, please contact [MBSAllocations@dtcc.com](mailto:MBSAllocations@dtcc.com)

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