



## Important Notice

Fixed Income Clearing Corporation - MBSD

<b>MBS #:</b>	MBS1338-24
<b>Date:</b>	June 13, 2024
<b>To:</b>	Mortgage-Backed Securities Division Clearing Members
<b>Category:</b>	Service Update
<b>Subject:</b>	Capped Contingency Liquidity Facility (“CCLF”) Reset Reminder

The Mortgage-Backed Securities Division (“MBSD”) of Fixed Income Clearing Corporation (“FICC”) will reset the Defined Capped Liquidity Amount (“CCLF Cap”) for all Clearing Members that selected Option 1 or 2 on the Officers Certificate. The reset will be effective **July 1, 2024**.

With the reset, the look-back period parameter that is used to size each Clearing Members’ CCLF Cap will remain a 12-month period <sup>1</sup> from July 1, 2023, to June 30, 2024.

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 Cap reset on a monthly basis. 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 Clearing Members are reminded that:

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<sup>1</sup>Important Notice MBSD1292-23 - <https://www.dtcc.com/-/media/Files/pdf/2023/12/14/Important-Notice---MBSD-CCLF-Reset-2024-Jan-1st.pdf>

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1. Each Clearing Member has certified in its respective Officer's Certificate that its CCLF Cap will be incorporated into such Clearing Member's liquidity planning.
2. On a daily basis, each Clearing Member's CCLF Cap is available via the "MBS Liquidity" section of the Report Center.
3. Each Clearing Member is expected to track its settlement activities that generate a liquidity need across all trading desks and will notify FICC of anticipated significant changes in such activity. Such notifications may be made to FICC Liquidity Risk Management via email at [LiquidityProductRisk@dtcc.com](mailto:LiquidityProductRisk@dtcc.com).

For any Liquidity or CCLF specific questions, please contact Liquidity Risk Management ([LiquidityProductRisk@dtcc.com](mailto:LiquidityProductRisk@dtcc.com)) or your Relationship Manager.