



Important Notice

Fixed Income Clearing Corporation - MBSD

MBS #:	MBS1347-24
Date:	August 6, 2024
To:	Mortgage-Backed Securities Division Clearing Members
Category:	Service Update
Subject:	Capped Contingency Liquidity Facility (“CCLF”) – Annual Attestation

This Important Notice serves as an announcement that each Clearing Member of the Mortgage-Backed Securities Division (“MBSD”) is required to execute and return an annual Officers’ Certificate relating to its CCLF obligations pursuant to newly adopted MBSD Rule 17, Section 2a(e).¹

The CCLF Officers’ Certificate, among other things, certifies that such Clearing Member has incorporated its Defined Capped Liquidity Amount (i.e., its total financial obligation under CCLF) into its liquidity plans. The Defined Capped Liquidity Amount is calculated pursuant to, and described in greater detail in, MBSD Rule 17. Failure to adhere to this requirement may result in FICC taking disciplinary action and/or imposing a fine against the Clearing Member.

The fully executed CCLF Officers’ Certificate is due on or before **September 20, 2024**, and must be completed through this DocuSign link [CCLF Officers’ Certificate](#).

Each Clearing Member is encouraged to review its MBSD CCLF Participant Report® (which is available through the RTTM reporting tool) to understand its current activity level and its projected Defined Capped Liquidity Amount.

Each Clearing Member is required to manage its FICC liquidity needs. Specifically, each Clearing Member is expected to track its settlement activities that generate liquidity needs across all trading desks and notify FICC of anticipated significant changes in such activity and identify contact persons responsible for responding to FICC’s inquiries concerning settlement activity.

As part of its enhanced due diligence, FICC will request from each Clearing Member additional information and a written liquidity plan to demonstrate how the Clearing Member has incorporated CCLF into its liquidity planning. Additionally, if the Clearing Member’s Defined Capped Liquidity Amount shows a significant monthly or semi-annual increase, FICC may require that Clearing Member to provide an interim attestation that it can meet the higher CCLF obligation. We appreciate your prompt and thorough response to these requests, which allows FICC to verify that all Clearing Members are meeting their membership requirements and helps FICC to maintain sufficient resources to keep markets stable and secure in the event of a member default.

¹ On June 21, 2024, the Securities and Exchange Commission approved a proposed rule change by FICC, which, among other things, requires MBSD Clearing Members to provide an annual officers’ attestation concerning its CCLF obligations. See approval order available at <https://www.sec.gov/files/rules/sro/ficc/2024/34-100402.pdf>.

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For any Liquidity or CCLF specific questions, please contact Liquidity Risk Management (LiquidityProductRisk@dtcc.com) or your Relationship Manager. For questions on completing the Officers' Certificate through DocuSign, please contact FICC Account Administration (FICCAA@dtcc.com).