



December 16, 2020

Vanessa Countryman
Secretary
Securities and Exchange Commission 100 F Street NE
Washington, DC 20549-1090

Re: File No. SR-FICC-2020-017; Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change to Modify the Calculation of the MBS VaR Floor to Incorporate a Minimum Margin Amount

Dear Ms. Countryman,

SIFMA¹ appreciates the opportunity to respond to this rule proposal from the Fixed Income Clearing Corporation (FICC). We write to request an extension of the comment period on this rule for the reasons set forth below.

SIFMA members believe appropriate levels of margin are critical to the robustness of any central counterparty and are important for financial market stability. FICC as a CCP plays a key role in the functioning of the TBA MBS market, which is the second most liquid fixed income market behind the US Treasury market in terms of daily trading volume. FICC has proposed a material change to their margin calculation models for which our members need more time to analyze and prepare comments.

We do not believe that the allotted time is sufficient for this review. First, this is an important change, and a 21-day comment period is too short for a change of such potential consequence to many of our members. Second, this comment period is taking place during the year-end holiday season, when many market participants are out of the office or otherwise occupied with year-end activities which limit their ability to focus on this proposal.

If the proposal is properly calibrated, it will enhance the robustness of FICC. If it is not, it could impair some members' ability to participate in the FICC's clearing process, impairing their

¹ SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$18.5 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

business model and potentially limiting avenues to the secondary markets for mortgage originators, which would have broader economic consequences. SIFMA members are undertaking this analysis now and expect to receive further impact assessments from FICC which will aid in this work.

We respectfully request an extension of the comment period through the end of January 2021 due to the potential significance of this rule change, the difficulty for the market in appropriately analyzing the proposal in the allotted time, and the importance to the economy of a well-functioning TBA and mortgage market.

This additional time would allow FICC members to more completely analyze the proposed rule and its impacts. Accordingly, we believe that public comments will be much more useful to the Commission if a comment period extension is granted.

Please contact me with any questions or for more information.

Regards,

A handwritten signature in blue ink that reads "Chris Killian". The signature is fluid and cursive, with the first name "Chris" and last name "Killian" clearly distinguishable.

Christopher Killian
Managing Director
Securitization, Corporate Credit, and Libor