

Memorandum

To: SR-FICC-2020-804

From: Office of Clearance and Settlement, Division of Trading and Markets

Re: Response to the Commission's Request for Additional Information

Date: April 19, 2021

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On November 27, 2020, Fixed Income Clearing Corporation ("FICC") filed advance notice SR-FICC-2020-804 ("Advance Notice") with the U.S. Securities and Exchange Commission ("Commission"), pursuant to Section 806(e)(1)(A) of the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")<sup>1</sup> and Rule 19b-4(n)(1)(i) of the Securities Exchange Act of 1934,<sup>2</sup> to introduce a new "Minimum Margin Amount" calculation into the margin methodology of FICC's Mortgage Backed Securities Division. The Advance Notice was published for comment in the Federal Register on January 6, 2021.<sup>3</sup>

On March 12, 2021, the Commission, by the Division of Trading and Markets, pursuant to delegated authority,<sup>4</sup> requested additional information from FICC pursuant to Section 806(e)(1)(D) of the Clearing Supervision Act.<sup>5</sup>

Pursuant to Section 806(e)(1) of the Clearing Supervision Act,<sup>6</sup> the Commission's period of review of the Advance Notice is tolled and shall be 60 days from the date the information requested is received by the Commission absent an additional information request.

On April 16, 2021, the Commission received FICC's response to the Commission's request for additional information. Accordingly, June 15, 2021 is the date by which the Commission shall notify FICC of any objection regarding the Advance Notice, unless the Commission requests further information for consideration of the Advance Notice.

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<sup>1</sup> 12 U.S.C. 5465(e)(1)(A).

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> Securities Exchange Act Release No. 90834 (December 31, 2020), 86 Fed. Reg. 584 (January 6, 2021) (SR-FICC-2020-804).

<sup>4</sup> 17 CFR 200.30-3(a)(93).

<sup>5</sup> 12 U.S.C. 5465(e)(1)(D).

<sup>6</sup> See 12 U.S.C. 5465(e)(1)(E) and (G).