

**FIXED INCOME CLEARING CORPORATION
GOVERNMENT SECURITIES DIVISION RULEBOOK**

TEXT OF PROPOSED RULE CHANGE

Bold and underlined text indicates proposed added language

~~Bold and strike through text~~ indicates proposed deleted language

RULE 1 – DEFINITIONS

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Clearance Difference Amount

The term “Clearance Difference Amount” means the absolute value of the dollar difference between the Settlement Value of a Deliver Obligation or a Receive Obligation and the actual value at which such Deliver Obligation or Receive Obligation was settled, by the delivery or receipt of Eligible Netting Securities. **Notwithstanding the above, the term “Clearance Difference Amount” shall not apply to GCF Repo Transactions and CCIT Transactions.**

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Collateral Mark

The term “Collateral Mark” means, on a particular Business Day, as regards any Forward Trade other than a Forward-Starting Repo Transaction during its Forward-Starting Period, the absolute value of the difference between the Contract Value of the Forward Trade and the Market Value of the Forward Trade. If the Contract Value is greater than the Market Value, then this difference shall be a positive value for a Member with a Net Short Position, and a negative value for a Member with Net Long Position. If the Market Value is greater than the Contract Value, then this difference shall be a positive value for a Member with a Net Long Position, and a negative value for a Member with a Net Short Position. The Collateral Mark for a Forward-Starting Repo Transaction during its Forward-Starting Period shall be Zero. The term “Collateral Mark” means, as regards a Forward Net Settlement Position, the sum of all of the Collateral Marks on each of the Forward Trades that compose such Position. **Notwithstanding the above, the term “Collateral Mark” shall not apply to GCF Repo Transactions and CCIT Transactions.**

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Coupon Adjustment Payment

The term “Coupon Adjustment Payment” means the coupon payments due and owing on each Eligible Netting Security that comprises either a Coupon-Eligible End Leg or a Fail Net Settlement Position. **Notwithstanding the above, the term “Coupon Adjustment Payment” shall not apply to GCF Repo Transactions and CCIT Transactions.**

Coupon-Eligible End Leg

The term “Coupon-Eligible End Leg” means an End Leg on a coupon payment date for the Eligible Netting Securities that comprise it, where such coupon payment date falls after the Start Leg related to the same Repo Transaction from which such End Leg arises has settled and on or before the Scheduled Settlement Date of the End Leg. **Notwithstanding the above, the term “Coupon-Eligible End Leg” shall not apply to GCF Repo Transactions and CCIT Transactions.**

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Credit Clearance Difference Amount

The term “Credit Clearance Difference Amount” means, on a particular Business Day, the absolute value of the dollar difference between the Settlement Value of a Deliver Obligation or a Receive Obligation and the actual value at which such Deliver Obligation or Receive Obligation was settled, by the delivery or receipt of Eligible Netting Securities. **Notwithstanding the above, the term “Credit Clearance Difference Amount” shall not apply to GCF Repo Transactions and CCIT Transactions.**

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Credit GCF Forward Mark Adjustment Payment

The term “Credit GCF Forward Mark Adjustment Payment” means, on a particular Business Day, a GCF Forward Mark Adjustment Payment that is a positive value, and that a Netting Member is entitled to collect from the Corporation.

Credit GCF Interest Adjustment Payment

The term “Credit GCF Interest Adjustment Payment” means, on a particular Business Day, a GCF Interest Adjustment Payment on an associated Debit GCF Forward Mark Adjustment Payment made on the previous Business Day, which GCF Interest Adjustment Payment a Netting Member is entitled to collect from the Corporation.

Credit GCF Transaction Adjustment Payment

The term “Credit GCF Transaction Adjustment Payment” means, on a particular Business Day, as regards the total repo interest accrued on GCF Repo Transactions and CCIT Transactions, as applicable, the GCF Transaction Adjustment Payment that a Netting Member is entitled to collect from the Corporation.

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Credit Interest Rate Mark Adjustment Payment

The term “Credit Interest Rate Mark Adjustment Payment” means, on a particular Business Day, an Interest Rate Mark Adjustment Payment on the sum of the associated Debit GCF Forward Mark and Debit Interest Rate Mark made on the previous Business Day, which Interest Mark Adjustment Payment a Netting Member is entitled to collect from the Corporation.

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Credit Redemption Adjustment Payment

The term “Credit Redemption Adjustment Payment” means on a particular Business Day, a Redemption Adjustment Payment that a Netting Member is entitled to collect from the Corporation, involving either (1) a Net Settlement Position in an Eligible Netting Security on the last Business Day before or on the maturity date for such security or (2) a Repo Transaction where the Scheduled Settlement Date of the End Leg is on the maturity date, after the maturity date or on the last Business Day before the maturity date and the maturity date is not a Business Day.

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Credit Transaction Adjustment Payment

The term “Credit Transaction Adjustment Payment” means, on a particular Business Day as regards a Net Settlement Position, a Transaction Adjustment Payment that a Netting Member is entitled to collect from the Corporation, involving either: (1) a Net Long Position where the aggregate of the Contract Values of the trades that comprise such Position is less than the Aggregate of the Market Values of such trades, or (2) a Net Short Position where the aggregate of the Contract Values of the trades that comprise such Position is greater than the Market Values of such trades. ~~The term “Credit Transaction Adjustment Payment” means, on a particular Business Day as regards a GCF Net Settlement Position, a Transaction Adjustment Payment that a Netting Member is entitled to collect from the Corporation, involving either: (1) a GCF Net Funds Borrower Position where the aggregate of the Contract Values of the GCF Repo Transactions that comprise such Position is less than the Aggregate of the Market Values of such Transactions, or (2) a GCF Net Funds Lender Position where the aggregate of the Contract Values of the GCF Repo Transactions that comprise such Position is greater than the Market Values of such Transactions.~~

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Debit Clearance Difference Amount

The term “Debit Clearance Difference Amount” means, on a particular Business Day, the absolute value of the dollar difference between the Settlement Value of a Deliver Obligation or a Receive Obligation and the actual value at which such Deliver Obligation or Receive Obligation was settled, by the delivery or receipt of Eligible Netting Securities. **Notwithstanding the above, the term “Debit Clearance Difference Amount” shall not apply to GCF Repo Transactions and CCIT Transactions.**

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Debit GCF Forward Mark Adjustment Payment

The term “Debit GCF Forward Mark Adjustment Payment” means, on a particular Business Day, a GCF Forward Mark Adjustment Payment that is a negative value, and that a Netting Member is obligated to pay the Corporation.

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Debit GCF Interest Adjustment Payment

The term “Debit GCF Interest Adjustment Payment” means, on a particular Business Day, a GCF Interest Adjustment Payment on an associated Credit GCF Forward Mark Adjustment Payment made on the previous Business Day, which GCF Interest Adjustment Payment a Netting Member is obligated to make to the Corporation.

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Debit GCF Transaction Adjustment Payment

The term “Debit GCF Transaction Adjustment Payment” means, on a particular Business Day, as regards the total repo interest accrued on GCF Repo Transactions and CCIT Transactions, as applicable, the GCF Transaction Adjustment Payment that a Netting Member is obligated to pay to the Corporation.

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Debit Interest Rate Mark Adjustment Payment

The term “Debit Interest Rate Mark Adjustment Payment” means, on a particular Business Day, an Interest Rate Mark Adjustment Payment on the sum of the associated Credit GCF Forward Mark and Credit Interest Rate Mark made on the previous Business Day, which Interest Rate Mark Adjustment Payment a Netting Member is obligated to make to the Corporation.

Debit Redemption Adjustment Payment

The term “Debit Redemption Adjustment Payment” means, on a particular Business Day, a Redemption Adjustment Payment that a Netting Member is obligated to make to the Corporation, involving either (1) a Net Settlement Position in an Eligible Netting Security on the last Business Day before or on the maturity date for such security or (2) a Repo Transaction where the Scheduled Settlement Date of the End Leg is on the maturity date, after the maturity date or on the last Business Day before the maturity date and the maturity date is not a Business Day.

Debit Transaction Adjustment Payment

The term “Debit Transaction Adjustment Payment” means, on a particular Business Day as regards a Net Settlement Position, a Transaction Adjustment Payment that a Netting Member is obligated to make to the Corporation, involving either: (1) a Net Long Position where the aggregate of the Contract Values of the trades that comprise such Position is greater than the aggregate of the Market Values of such trades, or (2) a Net Short Position where the aggregate of the Contract values of the trades that comprise such Position is less than the Market Values of such trades. ~~The term “Debit Transaction Adjustment Payment” means, on a particular Business Day as regards a GCF Net Settlement~~

~~Position, a Transaction Adjustment Payment that a Netting Member is obligated to make to the Corporation, involving either: (1) a GCF Net Funds Borrower Position where the aggregate of the Contract Values of the GCF Repo Transactions that comprise such Position is greater than the aggregate of the Market Values of such Transactions, or (2) a GCF Net Funds Lender Position where the aggregate of the Contract Values of the GCF Repo Transactions that comprise such position is less than the Market Values of such Transactions.~~

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Delivery Differential Adjustment Payment

The term “Delivery Differential Adjustment Payment” means the absolute value of the dollar difference between the System Value and the Settlement Value of a Netting Member’s Deliver Obligation or a Receive Obligation. Notwithstanding the above, the term “Delivery Differential Adjustment Payment” shall not apply to GCF Repo Transactions and CCIT Transactions.

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Fail Mark Adjustment Payment

The term “Fail Mark Adjustment Payment” means the absolute value of the dollar difference between the Settlement Value of a Fail Deliver Obligation or a Fail Receive Obligation that constitutes all or part of a Fail Net Settlement Position on the current Business Day and the Settlement Value of such Fail Deliver Obligation or Fail Receive Obligation on the immediately previous Business Day. Notwithstanding the above, the term “Fail Mark Adjustment Payment” shall not apply to GCF Repo Transactions and CCIT Transactions.

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Financing Mark

The term “Financing Mark” means, on a particular Business Day, as regards a Repo Transaction, the product of the Market Value of the Repo Transaction multiplied by System Repo Rate established by the Corporation for such Repo Transaction, and then multiplied by a fraction, the numerator of which is the number of calendar days from the current Business Day until the Scheduled Settlement Date for the Repo Transaction and the denominator of which is 360. If a Repo Transaction other than a Forward-Starting Repo Transaction during its Forward-Starting Period comprises a Net Short Position of the Member, then the Financing Mark shall be a negative value. If a Repo Transaction other than a Forward-Starting Repo Transaction during its Forward-Starting Period comprises a Net Long Position of the Member, then the Financing Mark shall be a positive value. The Financing Mark for a Forward-Starting Repo Transaction during its Forward-Starting Period, and for any trade other than a Repo Transaction, shall be zero. The term “Financing Mark” means, as regards a Forward Net Settlement Position, the sum of all the Financing Marks on each of the Forward Trades that compose such position. Notwithstanding the

above, the term “Financing Mark” shall not apply to GCF Repo Transactions and CCIT Transactions.

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Forward Mark Adjustment Payment

The term “Forward Mark Adjustment Payment” means, on a particular Business Day, as regards a Member’s Forward Net Settlement Position, the sum of the Collateral Mark applicable to such Position, the Financing Mark applicable to such Position, and the Interest Rate Mark applicable to such Position. Notwithstanding the above, as regards an outstanding Repo Transaction where a request for substitution has been made but New Securities Collateral has not been received by the Corporation, the term “Forward Mark Adjustment Payment” means “Forward Unallocated Sub Mark”. **Notwithstanding the above, the term “Forward Mark Adjustment Payment” shall not apply to GCF Repo Transactions and CCIT Transactions.**

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Forward-Starting Period

The term “Forward-Starting Period” means, as regards a Forward-Starting Repo Transaction, including a GCF Repo Transaction **and a CCIT Transaction**, the period of time between the Business Day on which the Transaction is compared by the Corporation pursuant to these Rules and the Scheduled Settlement Date for the Start Leg of the Transaction.

Forward-Starting Repo Transaction

The term “Forward-Starting Repo Transaction” means a Repo Transaction, including a GCF Repo Transaction **and a CCIT Transaction**, that is scheduled to start one or more Business Days after the date it is submitted to the Corporation.

Forward Trade

The term “Forward Trade” means a trade ~~other than a Repo Transaction~~, including an Eligible Conversion Trade, whose Scheduled Settlement Date is ~~one~~**two** or more Business Days after the date it is submitted to the Corporation. **For purposes of this definition, if the trade is a Repo Transaction, the Start and End Legs of the Transaction should be considered as separate trades.**

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GCF Forward Mark

The term “GCF Forward Mark” means, on a particular Business Day as regards any GCF Repo Transaction that is not scheduled to settle on that day, the sum of the Accrued Repo

Interest-to-Date, the GCF Forward Starting Interest Rate Mark and the GCF Interest Rate Mark on such GCF Repo Transaction.

GCF Forward Mark Adjustment Payment

The term “GCF Forward Mark Adjustment Payment” means, on a particular Business Day, as regards a Member’s Forward Net Settlement Position in GCF Repo Transactions, the payment as it relates to the Member’s GCF Forward Mark.

GCF Forward Starting Interest Rate Mark

The term “GCF Forward Starting Interest Rate Mark” means, on a particular Business Day, as regards a Forward-Starting Repo Transaction that is a GCF Repo Transaction during its Forward-Starting Period, the product of the principal value of the Repo Transaction on the Scheduled Settlement Date for its Start Leg multiplied by a factor equal to the absolute difference between the System Repo Rate established by the Corporation for such Repo Transaction and its Contract Repo Rate, and then multiplied by a fraction, the numerator of which is the number of calendar days from the Scheduled Settlement Date for the Start Leg of the Repo Transaction until the Scheduled Settlement Date for the End Leg of the Repo Transaction, and the denominator of which is 360. If the Repo Transaction’s Contract Repo Rate is greater than its System Repo Rate, then the GCF Forward Starting Interest Rate Mark shall be a positive value for the Reverse Repo Party, and a negative value for the Repo Party. If the Repo Transaction’s Contract Repo Rate is less than its System Repo Rate, then the GCF Forward Starting Interest Rate Mark shall be a positive value for the Repo Party, and a negative value for the Reverse Repo Party. The term “GCF Forward Starting Interest Rate Mark” means, as regards a Forward Net Settlement Position, the sum of all the GCF Forward Starting Interest Rate Marks on each of the Forward Trades that compose such position.

GCF Interest Adjustment Payment

The term “GCF Interest Adjustment Payment” means, as regards a GCF Forward Mark Adjustment Payment, the product of the GCF Forward Mark Adjustment Payment multiplied by the applicable Overnight Investment Rate multiplied by a fraction, the numerator of which is the number of calendar days between the previous Business Day and the current Business Day, and the denominator of which is 360.

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GCF Transaction Adjustment Payment

The term “GCF Transaction Adjustment Payment” means, as regards a Netting Member, the total repo interest on the Netting Member’s GCF Repo Transactions and CCIT Transactions, as applicable, for which the Scheduled Settlement Date for the End Leg of such transactions is the next Business Day.

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Interest Rate Mark

The term “Interest Rate Mark” means, on a particular Business Day as regards a Forward-Starting Repo Transaction during its Forward-Starting Period, the product of the principal value of the Repo Transaction on the Scheduled Settlement Date for its Start Leg multiplied by a factor equal to the absolute difference between the System Repo Rate established by the Corporation for such Repo Transaction and its Contract Repo Rate, and then multiplied by a fraction, the numerator of which is the number of calendar days from the Scheduled Settlement Date for the Start Leg of the Repo Transaction until the Scheduled Settlement Date for the End Leg of the Repo Transaction and the denominator of which is 360. If the Repo Transaction’s Contract Repo Rate is greater than its System Repo Rate, then the Interest Rate Mark shall be a positive value for the Reverse Repo Party, and a negative value for the Repo Party. If the Repo Transaction’s Contract Repo Rate is less than its System Repo Rate, then the Interest Rate Mark shall be a positive value for the Repo Party, and a negative value for the Reverse Repo Party. The Interest Rate Mark for any Repo Transaction other than a Forward-Starting Repo Transaction during its Forward-Starting Period, and for any trade other than a Repo Transaction, shall be zero. The term “Interest Rate Mark” means, as regards a Forward Net Settlement Position, the sum of all the Interest Rate Marks on each of the Forward Trades that compose such position. **Notwithstanding the above, the term “Interest Rate Mark” shall not apply to GCF Repo Transactions or CCIT Transactions.**

Interest Rate Mark Adjustment Payment

~~The term “Interest Rate Mark Adjustment Payment” means, as regards the sum of a Netting Member’s GCF Interest Rate Mark and Interest Rate Mark, the product of that sum multiplied by the applicable Overnight Investment Rate and then multiplied by a fraction, the numerator of which is the number of calendar days between the previous Business Day and the current Business Day and the denominator of which is 360.~~

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Maturity Value

The term “Maturity Value” means, as regards a Net Settlement Position, Deliver Obligation, the ~~R~~redemption ~~V~~value of the Eligible Netting Securities that comprise such Position or Obligation.

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Net GCF Forward Mark Adjustment Payment

The term “Net GCF Forward Mark Adjustment Payment” means the absolute value of the dollar difference on a particular Business Day for a Netting Member between the total of all of the Credit GCF Forward Mark Adjustment Payments and the total of all of the Debit GCF Forward Mark Adjustment Payments. If the total of all of the Credit GCF Forward Mark Adjustment Payments is greater than the total of all of

the Debit GCF Forward Mark Adjustment Payments, then the Net GCF Forward Mark Adjustment Payment shall be a positive dollar amount owing from the Corporation to the Member. If the total of all of the Credit GCF Forward Mark Adjustment Payments is less than the total of all of the Debit GCF Forward Mark Adjustment Payments, then the Net GCF Forward Mark Adjustment Payment shall be a negative dollar amount owing from the Member to the Corporation.

Net GCF Interest Adjustment Payment

The term “Net GCF Interest Adjustment Payment” means the absolute value of the dollar difference on a particular Business Day for a Netting Member between the total of all of the Credit GCF Interest Adjustment Payments and the total of all of the Debit GCF Interest Adjustment Payments. If the total of all of the Credit GCF Interest Adjustment Payments is greater than the total of all of the Debit GCF Interest Adjustment Payments, then the Net GCF Interest Adjustment Payment shall be a positive dollar amount owing from the Corporation to the Member. If the total of all of the Credit GCF Interest Adjustment Payments is less than the total of all of the Debit GCF Interest Adjustment Payments, then the Net GCF Interest Adjustment Payment shall be a negative dollar amount owing from the Member to the Corporation.

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Net GCF Transaction Adjustment Payment

The term “Net GCF Transaction Adjustment Payment” means, on a particular Business Day, the absolute value of the dollar difference between the total of all of the Credit GCF Transaction Adjustment Payments and the total of all of the Debit GCF Transaction Adjustment Payments for a Netting Member. If the total of all of the Credit GCF Transaction Adjustment Payments is greater than the total of all of the Debit GCF Transaction Adjustment Payments, then the Net GCF Transaction Adjustment Payment shall be a positive dollar amount owing from the Corporation to the Member. If the total of all of the Credit GCF Transaction Adjustment Payments is less than the total of all of the Debit GCF Transaction Adjustment Payments, then the Net GCF Transaction Adjustment Payment shall be a negative dollar amount owing from the Member to the Corporation.

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Net Interest Rate Mark Adjustment Payment

~~The term “Net Interest Rate Mark Adjustment Payment” means the absolute value of the dollar difference on a particular Business Day for a Netting Member between the total of all of Credit Interest Rate Mark Adjustment Payments and the total of all Debit Interest Rate Mark Adjustment Payments. If the total of all of the Credit Interest Rate Mark Adjustment Payments is greater than the total of all of the Debit Interest Rate Mark Adjustment Payments, then the Net Interest Rate Mark Adjustment Payment shall be a positive dollar amount owing from the Corporation~~

~~to the Member. If the total of all of the Credit Interest Rate Mark Adjustment Payments is less than the total of all of the Debit Interest Rate Mark Adjustment Payments, then the Net Interest Rate Mark Adjustment Payment shall be a negative dollar amount owing from the Member to the Corporation.~~

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Net Redemption Adjustment Payment

The term “Net Redemption Adjustment Payment” means the absolute value of the dollar difference on a particular Business Day for a Netting Member between the total of all Credit Redemption Adjustment Payments and the total of all Debit Redemption Adjustment Payments. If the total of all Credit Redemption Adjustment Payments is greater than all of the Debit Redemption Adjustment Payments, then the Net Redemption Adjustment Payment shall be a positive dollar amount owing from the Corporation to the Member. If the total of all the Credit Redemption Adjustment Payments is less than the total of all of the Debit Redemption Adjustment Payments, then the Net Redemption Adjustment Payment shall be a negative amount owing from the Member to the Corporation.

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Opening Balance

The term “Opening Balance” means, with regard to the calculation of a Member’s Funds-Only Settlement Amount ~~and Clearing Fund Funds Only Settlement Amount on a given Business Day~~, the amount reported to such Member during the immediately prior processing cycle ~~of the previous Business Day~~ as the Member’s Funds-Only Settlement Amount obligation.

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Redemption Adjustment Payment

The term “Redemption Adjustment Payment” means for a Net Settlement Position, the difference between the Redemption Value and the Settlement Value due and owing on each Eligible Netting Security that comprises such position. The term “Redemption Adjustment Payment” means for the End Leg of a Repo Transaction, the difference between the Redemption Value and the Contract Value due and owing on each Eligible Netting Security that comprises such Transaction. Notwithstanding the above, the term “Redemption Adjustment Payment” shall not apply to GCF Repo Transactions and CCIT Transactions.

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Redemption Value

The term “Redemption Value” means, as regards a Net Settlement Position or a Deliver Obligation, the principal amount paid to the holder of such position or obligation in redeeming Eligible Netting Securities at the maturity for such securities.

System Value

The term “System Value” means, as regards a Deliver Obligation, a Receive Obligation, a Net Settlement Position, Existing Securities Collateral, or New Securities Collateral, the amount in dollars equal to the par value of each Eligible Netting Security that comprises such Obligation, Position, or Collateral, as applicable, multiplied by its System Price, plus interest that has accrued with regard to each such Eligible Netting Security up to the Business Day for which such dollar amount is calculated. The System Value of a Net Settlement Position that has remained unsettled on the maturity date for the Eligible Netting Securities that comprise such Position shall be the ~~R~~edemption ~~V~~alue of such Securities.

Transaction Adjustment Payment

The term “Transaction Adjustment Payment” means the absolute value of the dollar difference between the Contract Values and the Market Values of the trades that comprise a Net Settlement Position ~~or GCF Net Settlement Position~~ that is scheduled to settle on the current Business Day. **Notwithstanding the above, the term “Transaction Adjustment Payment” shall not apply to GCF Repo Transactions and CCIT Transactions.**

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RULE 3B – CENTRALLY CLEARED INSTITUTIONAL TRIPARTY SERVICE

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Section 13 – Funds-Only Settlement

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(b) The following components of Section 1 of Rule 13 shall apply to Netting Members with respect to their CCIT Transactions (such components shall apply as they apply to GCF Repo Transactions except as noted below):

(i) **GCF** Transaction Adjustment Payment;

(ii) GCF Interest Rate Mark, provided that Netting Members shall be obligated to pay debits but shall not be entitled to collect credits for GCF Interest Rate Mark with respect to their CCIT Transactions;

(iii) **GCF Forward Starting** Interest Rate Mark, provided that Netting Members shall be obligated to pay debits but shall not be entitled to collect credits for **GCF Forward Starting** Interest Rate Mark with respect to their CCIT Transactions;

(iv) **GCF** Interest ~~Rate Mark~~ Adjustment Payment, **as it relates to (ii) and (iii) above**;

(v) Invoice Amount as it relates to CCIT Transactions; and

(vi) Miscellaneous Adjustment Amount as it relates to CCIT Transactions.

(c) CCIT Daily Repo Interest shall also apply to CCIT Members (or Joint Accounts as applicable) and Netting Members with respect to their CCIT Transactions.

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RULE 13 - FUNDS-ONLY SETTLEMENT

Section 1 - General

One or more times on each Business Day, each Netting Member, as appropriate in accordance with this Rule, shall be obligated to pay to the Corporation, and/or shall be entitled to collect from the Corporation, the following (determined separately, where applicable, for the Market Professional Cross-Margining Account of a Netting Member):

(a) With regard to every Net Settlement Position, ~~including every GCF Net Settlement Position~~, other than either a Fail Net Settlement Position or a Forward Net Settlement Position, either pay to the Corporation a Debit Transaction Adjustment Payment or collect from the Corporation a Credit Transaction Adjustment Payment;

(b) With regard to every Deliver Obligation and Receive Obligation, either pay to the Corporation a Debit Delivery Differential Adjustment Payment or collect from the Corporation a Credit Delivery Differential Adjustment Payment;

(c) With regard to every Forward Net Settlement Position, either pay to the Corporation a Debit Forward Mark Adjustment Payment or collect from the Corporation a Credit Forward Mark Adjustment Payment;

~~(d) With regard to all of its outstanding Term GCF Repo Transactions, the GCF Interest Rate Mark;~~

~~(e) With regard to all outstanding Forward Starting Repo Transactions during their Forward Starting Period, the Interest Rate Mark;~~

~~(f) With regard to each of its Debit Interest Rate Marks and Debit GCF Forward Marks, pay to the Corporation a related Debit Interest Rate Mark Adjustment Payment, and with regard to each of its Credit Interest Rate Marks and Credit GCF Forward Marks, collect from the Corporation a related Credit Interest Rate Mark Adjustment Payment;~~

(gd) With regard to each of its Debit Forward Mark Adjustment Payments, collect from the Corporation a related Credit Interest Adjustment Payment, and with regard to each of its Credit Forward Mark Adjustment Payments, pay to the Corporation a related Debit Interest Adjustment Payment;

(he) With regard to every Fail Deliver Obligation and Fail Receive Obligation, either pay to the Corporation a Debit Fail Mark Adjustment Payment or collect from the Corporation a Credit Fail Mark Adjustment Payment;

(if) With regard to every Fail Net Settlement Position on a coupon payment date for the Eligible Netting Securities that comprise such Fail Net Settlement Position: (1) if the Member is in a Fail Net Short Position, it shall pay to the Corporation a Debit Coupon Adjustment Payment, and (2) if the Member is in a Fail Net Long Position, it shall collect from the Corporation a Credit Coupon Adjustment Payment;

(jg) With regard to every Coupon-Eligible End Leg on a coupon payment date for the Position, it shall pay to the Corporation a Debit Coupon Adjustment Payment, and (2) if the Member is in a Net Long Position, it shall collect from the Corporation a Credit Coupon Adjustment Payment;

(h) With regard to every Net Settlement Position or End Leg of a Repo Transaction on the maturity date for the Eligible Netting Security that comprises such position or Transaction: (1) if the Redemption Adjustment Payment is a positive amount, then the Member shall collect a Credit Redemption Adjustment Payment from the Corporation, and (2) if the Redemption Adjustment Payment is a negative amount, then Member shall pay to the Corporation a Debit Redemption Adjustment Payment;

(ki) With regard to any settlement made pursuant to Rule 12 where there is a difference between the Settlement Value at which a Deliver Obligation or Receive Obligation was obligated to have been made and the dollar value at which such Obligation actually was settled, either pay to the Corporation a Debit Clearance Difference Amount or collect from the Corporation a Credit Clearance Difference Amount;

(j) With regard to every GCF Net Settlement Position, either pay to the Corporation a Debit GCF Transaction Adjustment Payment or collect from the Corporation a Credit GCF Transaction Adjustment Payment;

(k) With regard to any GCF Repo Transaction that is not scheduled to settle on that day, either pay to the Corporation a Debit GCF Forward Mark Adjustment Payment or collect from the Corporation a Credit GCF Forward Mark Adjustment Payment;

(l) With regard to each of its Debit GCF Forward Mark Adjustment Payments, collect from the Corporation a related Credit GCF Interest Adjustment Payment, and with regard to each of its Credit GCF Forward Mark Adjustment Payments, pay to the Corporation a related Debit GCF Interest Adjustment Payment;

(lm) With regard to any fees due and owing by a Netting Member to the Corporation it shall pay to the Corporation an Invoice Amount; and

(mn) With regard to any other cash payments owing from a Netting Member to the Corporation or entitled to be collected by a Netting Member from the Corporation, the Miscellaneous Adjustment Amount.

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Section 2 - Calculation of Funds-Only Settlement Amount

One or more times on each Business Day, the Corporation shall make available to each Netting Member and to the Funds-Only Settling Bank Member acting on behalf of the Member a Report stating the Funds-Only Settlement Amount that is either to be paid from such Member to the Corporation on such Business Day or to be collected by such Member from the Corporation on such Business Day. The Funds-Only Settling Bank Member shall also receive the Funds-Only

Settlement amounts of all of the Netting Members for which it is acting and the Net Funds-Only Settlement Figure.

The Funds-Only Settlement Amount of each Netting Member shall be determined by calculating the net total, for a particular Business Day, of the following: (a) the Net Transaction Adjustment Payment; (b) the Net Delivery Differential Adjustment Payment; (c) the Net Forward Mark Adjustment Payment; (d) the Net Interest Adjustment Payment; (e) ~~the Net Interest Rate Mark Adjustment Payment;~~ (f) the Net Fail Mark Adjustment Payment; (g) ~~the Net Coupon Adjustment Payment~~the GCF Interest Rate Mark; (h) ~~the Net Clearance Difference Amount~~the Interest Rate Mark; (i) ~~the Net GCF Transaction Adjustment Payment~~the Net Coupon Adjustment Payment; (j) ~~the Net GCF Forward Mark Adjustment Payment~~the Net Clearance Difference Amount; (k) ~~the Net GCF Interest Adjustment Payment;~~ (l) the Total Invoice Amount; (m) the Miscellaneous Adjustment Amount; (n) ~~the Net Redemption Adjustment Payment;~~ (o) the Opening Balance; and (p) the Collected/Paid Amount. If such net total is a negative amount, such amount shall be owing by the Member to the Corporation; if such net total is a positive amount, such amount shall be owing by the Corporation to the Member. The amount of each component, as listed above, of the Funds-Only Settlement Amount shall be reported on each Business Day to each Netting Member.

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