



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

**RULE 1 – DEFINITIONS\***

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\* All products and services provided by the Corporation referenced in these Rules are either registered trademarks or servicemarks of, or trademarks or servicemarks of, The Depository Trust & Clearing

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### **GCF Clearing Agent Bank**

The term “GCF Clearing Agent Bank” means a Clearing Agent Bank that has agreed to provide the Corporation, upon request, under mutually agreeable terms, with clearing services for GCF Repo Transactions ~~and for which the Corporation establishes a GCF Securities Account.~~

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### **~~GCF Securities Account~~**

~~The term “GCF Securities Account” means an account established by the Corporation in the name of a GCF Clearing Agent Bank, as agent for customers, to be used in connection with the netting and settlement of GCF Repo Transactions.~~

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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 processing cycle of the previous Business Day as the Member’s Funds-Only Settlement Amount obligation.

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Corporation or its affiliates. Other names of companies, products or services appearing in these Rules are the trademarks or servicemarks of their respective owners.

## RULE 2A – INITIAL MEMBERSHIP REQUIREMENTS

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### Section 3 – Admission Criteria Membership Qualifications and Standards for Comparison-Only Members

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In addition to items (a) through (d) above, the Corporation shall retain the right to deny membership to an applicant if the Corporation becomes aware of any factor or circumstance about the applicant or its Controlling Management which may impact the suitability of that particular applicant as a Member of the Corporation. Further, applicants are required to inform the Corporation as to any member of its Controlling Management that is or becomes subject to Statutory Disqualification (as defined in Section 3(a)(39) of the Exchange Act).

~~The Corporation shall retain the right to deny membership to an applicant if the Corporation becomes aware of any factor or circumstance about the applicant or its Controlling Management which may impact the suitability of that particular applicant as a Member of the Corporation.~~

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### **RULE 3 – ONGOING MEMBERSHIP REQUIREMENTS**

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#### **Section 2 - Reports by Netting Members**

Each Netting Member shall submit to the Corporation the reports, financial or other information set forth below and such other reports, financial and other information as the Corporation from time to time may reasonably require. Unless specifically set forth below, the time periods prescribed by the Corporation are set forth in the form of notices posted at the Corporation's wWebsite and/or distributed by the Corporation from time to time. It shall be the Member's responsibility to retrieve all notices daily from the wWebsite.

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## RULE 4 - CLEARING FUND AND LOSS ALLOCATION

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### Section 1b – Unadjusted GSD Margin Portfolio Amount

(a) Each Business Day, the Corporation shall determine, with respect to each Margin Portfolio, an Unadjusted GSD Margin Portfolio Amount as the sum of the following:

(i) the VaR Charge,

minus

(ii) in the case of a Margin Portfolio of a Cross Margining Participant that is subject to one or more Cross-Margining Arrangements, in the discretion of the Corporation, an amount not to exceed the sum of any applicable Cross-Margining Reductions, calculated on the current Business Day for such Cross-Margining Participant in accordance with the applicable Cross-Margining Agreements,

plus

(iii) in the case of a Margin Portfolio of a GCF Counterparty, the Early Unwind Intraday Charge, if applicable,

plus or minus

(iv) in the case of a Margin Portfolio of a GCF Counterparty, the Blackout Period Exposure Adjustment, if applicable, during the monthly Blackout Period or until the applicable GCF Clearing Agent Bank updates the Pool Factors used for collateral valuation,

plus

(v) in the case of a Netting Member with backtesting deficiencies, the Backtesting Charge, if applicable,

plus

(vi) the Holiday Charge, if applicable, on the Business Day prior to a Holiday,

plus

(vii) a Margin Liquidity Adjustment Charge and an MLA Excess Amount, if applicable.

**plus**

**(viii) an additional payment (“special charge”) applicable to a Margin Portfolio as determined by the Corporation from time to time in view of market conditions and other financial and operational capabilities of the Member. The Corporation shall make any such determination based on such factors as the Corporation determines to be appropriate from time to time.**

The Corporation shall determine a separate Unadjusted GSD Margin Portfolio Amount for a Netting Member’s Market Professional Cross-Margining Account.

The Corporation shall have the discretion to not apply the VaR calculation(s) to Net Unsettled Positions in classes of securities whose volatility is less amenable to statistical analysis, or to Term Repo Transactions and Forward-Starting Repo Transactions (including term and forward-starting GCF Repo Transactions) whose term repo rate volatility is less amenable to statistical analysis. In lieu of such calculation, the component required with respect to such transactions shall instead be determined utilizing a haircut method based on a historic index volatility model.

The Corporation shall take into account the VaR confidence level applicable to the Member in calculating the VaR Charge. In the case of a Margin Portfolio containing accounts of Permitted Margin Affiliates, the Corporation shall apply the highest VaR confidence level applicable to the Member or its Permitted Margin Affiliates.

~~**The Corporation shall have the discretion to calculate an additional amount (“special charge”) applicable to a Margin Portfolio as determined by the Corporation from time to time in view of market conditions and other financial and operational capabilities of the Member. The Corporation shall make any such determination based on such factors as the Corporation determines to be appropriate from time to time.**~~

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### **RULE 11B – GUARANTY OF SETTLEMENT**

(a) The Corporation shall guarantee the settlement of a trade the data on which were submitted for Bilateral Comparison, Demand Comparison, or Locked-In Comparison at the time ~~which~~ the comparison of such trade occurs pursuant to Rules 6A, 6B, or 6C, respectively, as long as the trade meets the requirements of Section 2 of Rule 11 and was entered into in good faith.

(b) The Corporation's guaranty referred to in subsection (a) above shall mean the Corporation's obligation to include the trade in calculating a Net Settlement Position and to novate the deliver, receive, and payment obligations that were created by the trade pursuant to these Rules. The Corporation's guaranty of settlement of an individual trade applies only to the settlement of that trade as it exists as part of a Net Settlement Position.

(c) The Corporation's guaranty referred to in subsections (a) and (b) above shall no longer be in effect if the trade becomes uncomparated, is cancelled, or settles pursuant to these Rules.

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**RULE 22C – INTERPRETATION IN RELATION TO THE  
FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991**

The Corporation and the ~~Netting~~ Members intend that these Rules be interpreted in relation to certain terms (identified below) that are defined or used in the Federal Deposit Insurance Corporation Act of 1991, as amended, as follows:

The ~~Government Securities Division of the~~ Corporation is a “clearing organization”;

Any obligation of a ~~Netting~~ Member or the Corporation to make any payments or delivery to the other is a “covered clearing obligation” and a “covered contractual payment obligation”;

Any entitlement of a ~~Netting~~ Member or the Corporation to receive a payment or delivery from the other is a “covered contractual payment entitlement”;

The Corporation and each Member is a “member” of the “clearing organization”;

The amount by which the covered contractual payment entitlements of a ~~Netting~~ Member or the Corporation exceed the covered contractual payment obligations of such Member or the Corporation after netting pursuant to Rule 22A or Rule 22B ~~this Rule 22C~~ is its “net entitlement”;

The amount by which the covered contractual payment obligations of a ~~Netting~~ Member or the Corporation exceed the covered contractual payment entitlements of such Member or the Corporation after netting pursuant to Rule 22A or Rule 22B ~~this Rule 22C~~ is its “net obligation”;  
and

These Rules, together with all other agreements between the Corporation and a ~~Netting~~ Member; are a “netting contract”, the margin, Clearing Fund and other provisions of these Rules granting an interest in any funds or property of a Member to the Corporation and each Cross-Margining Arrangement and associated agreement and guaranty constitute a “security agreement or arrangement or other credit enhancement” ~~relating~~ related to such netting contract. The close-out and netting process described in Rule 22A or Rule 22B ~~this Rule 22C~~ constitutes the “terminat[ion], liquidat[ion], accelerat[ion], and nett[ing]” of obligations, and the taking of any action by the Corporation under Section 11(e) of Rule 3B shall constitute an exercise of remedies under a “security agreement or arrangement or other credit enhancement” related to a netting contract.

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### **RULE 36 - RULE CHANGES**

The Corporation shall promptly notify all Members and ~~R~~registered ~~C~~learing ~~A~~gencies of any proposal it has made to change, revise, add or repeal any Rule, and of the text or a brief description of the proposed Rule and its purpose and effect, **by posting such proposal on its website**. Members and ~~R~~registered ~~C~~learing ~~A~~gencies may submit to the Corporation for its consideration their comments with respect to any such proposal, and such comments shall be filed with the Corporation's records and copies thereof delivered to the ~~SEC~~**Securities and Exchange Commission**.

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## **RULE 38 – GOVERNING LAW AND CAPTIONS**

### Section 1 – Governing Law

The Rules, and the rights and obligations under the Rules, shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed and performed therein.

### Section 2 – Captions

Captions to any Rules are for information and guidance only, are not part of any Rule and are to be given no consideration in applying or construing any Rules.

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## RULE 45 - NOTICES

### Section 1 - Notice to an Interested Person

Any notice pursuant to these Rules from the Corporation to an Interested Person shall be sufficiently served on such Interested Person if the notice is in writing, and is mailed to the Interested Person's office address, is sent via electronic mail to the Interested Person's electronic mail address or is transmitted by facsimile machine to a facsimile machine located either in the Interested Person's office or elsewhere as designated by such Interested Person. Any notice to an Interested Person, if mailed, shall be deemed to have been given when deposited in the United States Postal Service, with postage thereon prepaid, directed to the Interested Person at its office address, and if sent via electronic mail, shall be deemed given when routed to the electronic mail address of the Interested Person. Any notice to an Interested Person, if transmitted by facsimile machine as provided above, shall be deemed to have been given when such transmission is verified on the facsimile machine of the Corporation as having been transmitted.

Notwithstanding anything in these Rules to the contrary, the Corporation may distribute notices to all Interested Persons by posting such notices on the Corporation's website. The Corporation shall deem a notice ~~delivered~~**sufficiently served** once such notice is successfully posted to the website, **and it is the responsibility of the Interested Persons to retrieve notices daily from the Corporation's website.**

### Section 2 - Notice to the Corporation

Any notice from an Interested Person to the Corporation shall be sufficiently served on the Corporation if the notice is in writing and is delivered, mailed, or transmitted by facsimile machine to the Corporation at its principal place of business, Attention: Secretary, or such other place as it designates. Any such notice to the Corporation shall be deemed to have been given when received.

### Section 3 - Notice by the Corporation of Certain Actions

Any notice required to be given by the Corporation pursuant to Rule 21, Rule 22 or Rule 48 shall set forth the specific grounds under consideration upon which any action taken by the Corporation pursuant to such Rule or Rules may be based and shall contain notice to the Member of its right to request a hearing, such request to be filed by such Member with the Corporation pursuant to Rule 37.

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**RULE 47 - INTERPRETATION OF RULES**

The Board of Directors of the Corporation ~~or any Committee thereof~~ or their designee(s) shall have the authority to interpret the Rules of the Corporation. Interpretations of the Board of Directors ~~or any Committee thereof~~ or their designee(s) shall be final and conclusive.

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**FIXED INCOME CLEARING CORPORATION  
MORTGAGE-BACKED SECURITIES DIVISION  
CLEARING RULES**

## RULE 1 - DEFINITIONS

Unless the context requires otherwise, the terms defined in this Rule shall, for all purposes of these Rules, have the meanings herein specified.

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### **Clearing System**

The term "Clearing System" means the (i) System of services provided by the Corporation to Persons that are Members thereof, including Trade Comparison, TBA Netting, Pool Comparison, Pool Netting, and settlement, as applicable, and (ii) operations carried out by the Corporation in the course of providing such services, as provided in these Rules.

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### **Direct Transaction**

~~The term "Direct Transaction" means any Transaction calling for the delivery of an Eligible Security the data on which has been submitted to the Corporation by Members, that is not a Brokered Transaction.~~

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### **Eligible Letter of Credit**

~~The term "Eligible Letter of Credit" means a letter of credit that:~~

- ~~(i) contains the unqualified commitment of such issuer to pay a specified sum of money upon demand (properly drawn under the letter of credit);~~
- ~~(ii) is irrevocable; and~~
- ~~(iii) is in a form, and contains such other terms and conditions, as may be required by the Corporation.~~

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### **~~GCF Collateral Excess Account~~**

~~The term “GCF Collateral Excess Account” means an account established by a GCF Custodian Bank in the name of the Corporation to hold securities it credits to the GCF Securities Account the Corporation establishes for another GCF Clearing Agent Bank.~~

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### **Miscellaneous Adjustment Amount**

**The term “Miscellaneous Adjustment Amount” means the net total of all miscellaneous cash-only amounts that, on a particular Business Day, are required to be paid by a Clearing Member to the Corporation and/or are entitled to be collected by a Clearing Member from the Corporation.**

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### **Off-the-Market Transaction**

The term “Off-the-Market Transaction” means any of the following:

- (1) A single Transaction that is:
  - (i) greater than \$1 million in Par Amount; and
  - (ii) executed at a contract price that is either higher or lower (by a percentage amount determined by the Corporation based on factors such as market conditions) than the System Price for the underlying Eligible Security on trade date;
- (2) A pattern of Transactions that, if looked at as a single transaction, would be encompassed by subsection (1) of this definition.

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### **Settlement Price**

The term “Settlement Price” means (a) in the case of a Trade-for-Trade Transaction, Specified Pool Trade, Stipulated Trade or SBO-Destined Trade, the Contractual settlement price agreed to by the parties; (b) in the case of an SBON Trade **and unallocated TBAs that go through the process for determining the TBA Reprice Transaction Adjustment Payment**, the System Price; and (c) in the case of a Pool Deliver or Pool Receive Obligation, the Pool Net Price.

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### Settlement Value

The term “Settlement Value” means the amount in dollars equal to the Par Amount of each Eligible Security that comprises ~~a Trade-for-Trade Transaction~~, a Specified Pool Trade, ~~an SBO-Destined Trade, a Stipulated Trade, a SBON Trade~~, a Pool Deliver Obligation, or a Pool Receive Obligation, multiplied by the Settlement Price plus interest that has accrued with regard to each such Eligible Security up to the Business Day for which such dollar amount is calculated.

**The term “Settlement Value” means the amount in dollars equal to the Par Amount of each Eligible Security that comprises a Trade-for-Trade Transaction, an SBO-Destined Trade, a Stipulated Trade, or an SBON Trade, multiplied by the Settlement Price.**

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### ~~TBA Comparison~~

~~The term “TBA Comparison” means the service provided to Clearing Members, as applicable, and the operations carried out by the Corporation in the course of providing such service in accordance with Rule 5.~~

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### TBA Obligations

The term “TBA Obligations” means SBO-Destined obligations, SBON Trades and, ~~with respect to Trade-for-Trade Transactions, settlement obligations generated by the Trade Comparison system.~~

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RULE 8 – POOL NETTING AND EXPANDED POOL NETTING SYSTEMS

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Section 2B – Eligibility for Expanded Pool Netting

A pool that is not allocated by the deadline established by the Corporation for Pool Netting shall be included in the Expanded Pool Netting process. The Expanded Pool Netting process will occur on each Business Day prior to the established SIFMA settlement date (**for purposes of this Rule 8, hereinafter referred to** “Exp Day”).

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RULE 11 – CASH SETTLEMENT

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Section 7 - Computation of Cash Balance for Each Account

Each Business Day, the Corporation shall compute a Cash Balance for each applicable Account, which for Clearing Members shall be a net positive or negative amount equal to:

- (a) the positive or negative amount of any TBA Transaction Adjustment Payment computed for such Account pursuant to Section 1 of this Rule; plus or minus
- (b) the positive or negative amount of any Net Pool Transaction Adjustment Payment; plus or minus
- (c) the positive or negative amount of any Expanded Pool Net Transaction Adjustment Payment; plus or minus
- (d) the positive or negative amount of any Do Not Allocate Transaction Adjustment Payment; plus or minus
- (e) the positive or negative amount of any TBA Reprice Transaction Adjustment Payment; plus or minus
- (f) the positive or negative amount of any Variance Transaction Adjustment Payment; plus or minus
- (g) the positive or negative amount of any Factor Update Adjustment Payment; plus or minus
- (h) the positive or negative amount of any Principal and Interest payments required as a result of the clearance of Deliver and Receive Obligations which are not eligible for processing through FedWire (Fail Tracking/Interim Accounting) Securities Service Automated Claims Adjustment Process (ACAP); plus
- (i) in the case of a Broker, any commissions that the Corporation, at such intervals as are prescribed by the Corporation from time to time, determines are due the Broker as a result of Transactions effected by the Broker on behalf of purchasing and selling Dealers; or minus
- (j) in the case of a Dealer effecting Transactions through a Broker, any commissions that the Corporation, at such intervals as are prescribed by the Corporation from time to time, determines are due the Broker with respect to such Transactions; minus

- (k) if applicable, the amount of any charges for services rendered with respect to such Account pursuant to Rule 18; minus
- (l) the amount of any fines, billing fees, charges for financing costs or interest imposed by the Corporation or other charges for services rendered by the Corporation, with respect to such Account pursuant to these Rules; or plus
- (m) if applicable, the amount of interest payable by the Corporation with respect to such Account pursuant to Section 1 and Section ~~106~~ of this Rule; plus or minus
- (n) the positive or negative value of any Clearance Difference Amount; plus or minus
- (o) if applicable, the positive or negative amount of any credits or debits processed by the Corporation pursuant to any valid CPR Claim; **plus or minus**
- (p) **Miscellaneous Adjustment Amount from TBA Clearing (MIS); plus or minus**
- (q) **Miscellaneous Adjustment Amount from Pool Netting (MSC); plus or minus**
- (r) **Miscellaneous Adjustment Amount from EPN (MSE).**

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RULE 27 - RULE CHANGES

The Corporation shall promptly notify all Members **and Registered Clearing Agencies** of any proposal it has made to change, revise, add or repeal any Rule, and of the text or a brief description of the proposed Rule and its purpose and effect, **by posting such proposal on its website**. Members **and Registered Clearing Agencies** may submit to the Corporation for its consideration their comments with respect to any such proposal, and such comments shall be filed with the Corporation's records and copies thereof delivered to the SEC.

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RULE 29 – GOVERNING LAW AND CAPTIONS

Section 1 – Governing Law

The Rules, and the rights and obligations under the Rules, shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed and performed therein.

Section 2 – Captions

Captions to any Rules are for information and guidance only, are not part of any Rule and are to be given no consideration in applying or construing any Rules.

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## RULE 35 - NOTICES

### Section 1 - Notice to an Interested Person

Any notice pursuant to these Rules from the Corporation to an Interested Person shall be sufficiently served on such Interested Person if the notice is in writing, and is mailed to the Interested Person's office address, is sent via electronic mail to the Interested Person's electronic mail address or is transmitted by facsimile machine to a facsimile machine located either in the Interested Person's office or elsewhere as designated by such Interested Person. Any notice to an Interested Person, if mailed, shall be deemed to have been given when deposited in the United States Postal Service, with postage thereon prepaid, directed to the Interested Person at its office address, and if sent via electronic mail, shall be deemed given when routed to the electronic mail address of the Interested Person. Any notice to an Interested Person, if transmitted by facsimile machine as provided above, shall be deemed to have been given when such transmission is verified on the facsimile machine of the Corporation as having been transmitted.

Notwithstanding anything in these Rules to the contrary, the Corporation may distribute notices to all Interested Persons by posting such notices on the Corporation's website. The Corporation shall deem a notice ~~delivered~~ **sufficiently delivered** once such notice is successfully posted to the website, **and it is the responsibility of the Interested Persons to retrieve notices daily from the Corporation's website.**

### Section 2 - Notice to the Corporation

Any notice from an Interested Person to the Corporation shall be sufficiently served on the Corporation if the notice is in writing and is delivered, mailed, or transmitted by facsimile machine to the Corporation at its principal place of business, Attention: Secretary, or such other place as the Corporation designates. Any such notice to the Corporation shall be deemed to have been given when received.

### Section 3 - Notice by the Corporation of Certain Actions

Any notice required to be given by the Corporation pursuant to Rule 14, Rule 16, or Rule 38, shall set forth the specific grounds under consideration upon which any action taken by the Corporation pursuant to such Rule or Rules may be based and shall contain notice to the Member of its right to request a hearing, such request to be filed by such Member with the Corporation pursuant to Rule 28.

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RULE 37 - INTERPRETATION OF RULES

The Board of Directors of the Corporation ~~or any Committee thereof~~ or their designee(s) shall have the authority to interpret the Rules of the Corporation. Interpretations of the Board of Directors ~~or any Committee thereof~~ or their designee(s) shall be final and conclusive.

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**FICC MORTGAGE-BACKED SECURITIES DIVISION  
SCHEDULE OF CHARGES BROKER ACCOUNT GROUP**

**I. FEES**

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**Trade Processing<sup>3</sup>**

Trade Creates	\$ .20/side
Unmatched Trade Deletes	\$ 1.00/side
Trade Cancels	\$ 1.00/side
Change Terms	\$ 1.00/side
<del>DK and Modify</del>	<del>No Charge</del>

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**Processing Fees**

Trade <u>Date</u> Input Non-Compliance	\$1,000/month/Account
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<sup>3</sup> Trades which are matched and canceled within the same processing pass are exempt from Trade Processing fees.

**FICC MORTGAGE-BACKED SECURITIES DIVISION  
SCHEDULE OF CHARGES DEALER ACCOUNT GROUP**

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**I. FEES**

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**Trade Processing<sup>3</sup>**

SBO Destined Trades	Par Value Millions/Mo.
Trade Creates	
01 - 2,500,000,000	\$2.00/MM
2,500,000,001 - 7,500,000,000	\$1.58/MM
7,500,000,001 - 12,500,000,000	\$1.39/MM
12,500,000,001 - 300,000,000,000	\$1.19/MM
300,000,000,001 and over	\$1.16/MM
TBA Netting Balance Orders (SBON)	\$1.00/MM Unmatched Trade
Deletes	\$1.00/side
Trade Cancels	\$4.00/side
Trade Netting Converts	\$1.00/side
<del>DK and Modify</del>	<del>No Charge</del>

**Trade-for-Trade Transactions, Specified Pool Trades, and Stipulated Trades**

Trade Creates	\$1.16/MM
Unmatched Trade Deletes	\$1.00/side
Trade Cancels	\$4.00/side
<del>DK and Modify</del>	<del>No Charge</del>

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<sup>3</sup> Trades which are matched and canceled within the same processing pass are exempt from Trade Processing fees.

**Option Trades**

Trade Creates	\$1.00/MM
Unmatched Trade Deletes	\$1.00/side
Trade Cancels	\$4.00/side
<del>DK and Modify</del>	<del>No Charge</del>

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**Processing Fees**

Trade <u>Date</u> Input Non-Compliance	\$1,000/month/Account
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**FIXED INCOME CLEARING CORPORATION  
MORTGAGE-BACKED SECURITIES DIVISION  
EPN RULES**

**ARTICLE I**  
**DEFINITIONS AND GENERAL PROVISIONS\***

**Rule 1. Definitions**

Unless the context requires otherwise, the terms defined in this Rule shall, for all purposes of these EPN Rules, have the meanings herein specified.

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**Clearing Agency**

**The term “Clearing Agency” shall have the meaning given it in Section 3(a)(23) of the Exchange Act.**

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**Registered Clearing Agency**

**The term “Registered Clearing Agency” means a Clearing Agency that is registered as such with the SEC.**

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\* All products and services provided by the Corporation referenced in the EPN Rules are either registered trademarks or servicemarks of, or trademarks or servicemarks of, The Depository Trust & Clearing Corporation or its affiliates. Other names of companies, products or services appearing in the EPN Rules are the trademarks or servicemarks of their respective owners.

**ARTICLE II  
MESSAGES PROCESSED BY THE CORPORATION**

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**Rule 2. Reports**

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**Sec. 3. Message Summary Report**

Based on information available to the Corporation, the Message Summary Report shall list **the summary totals of each message type by EPN Eligible Security and Participant**~~the contents of each Message~~. For each EPN Eligible Security, the Message Summary Report shall include, but is not limited to, the total original face value, total net money, CUSIP Number, and summary of the number and type of Messages.

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**ARTICLE III  
EPN USERS**

**Rule 1. Requirements Applicable to EPN Users**

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Sec. 2. Approval of Applicants

The Corporation shall approve an EPN User Profile, submitted by an applicant, to become an EPN User if the applicant:

~~(a) has sufficient financial ability to meet its obligations to the Corporation;~~

(~~a~~) the applicant has affirmatively shown that it has the ability to satisfactorily communicate with the Corporation, fulfill anticipated commitments to and meet the operational requirements of the Corporation with necessary promptness and accuracy, and conform to any condition and requirement that the Corporation reasonably deems necessary for its protection or that of its Participants. The applicant agrees that it must fulfill, within the timeframes established by the Corporation, operational testing requirements (the scope of such testing to be determined by the Corporation in its sole discretion) and related reporting requirements (such as reporting test results to the Corporation in a manner specified by the Corporation) that may be imposed by the Corporation to ensure the continuing operational capability of the applicant; and

(~~b~~) has completed and delivered to the Corporation a Cybersecurity Confirmation.

The Corporation may waive any standard as to any applicant, either unconditionally or on an appropriate temporary or other conditional basis, if the Corporation determines that said standard, as applied to such applicant, is unduly or disproportionately severe or that the conduct of said applicant has been such that it would not be against the best interests of the Corporation, its EPN Users and the public to waive said standard.

Notwithstanding the foregoing, the Corporation may decline to offer the EPN Service to any applicant upon a determination by the Corporation that the Corporation does not have adequate personnel, space, data processing capacity or other operational capabilities at that time to furnish service to an additional EPN User without impairing the ability of the Corporation to provide services for its then EPN Users, or otherwise to carry out its functions; provided, however, that applicants who are declined pursuant to this paragraph shall be approved as promptly as the capabilities of the Corporation permit in the order in which such applicants applied to the Corporation, and provided, further, that the Corporation shall use its best efforts to expand its capabilities to permit approval of the applicant so denied.

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**ARTICLE V  
MISCELLANEOUS**

**Rule 1. Action by the Corporation**

~~Except where~~ Where action by the Board of Directors, ~~or any committee of the Board,~~ is ~~specifically~~ required by ~~the By-Laws or~~ these EPN Rules, the Corporation may act, to the fullest extent permitted by law, by the Chairman of the Board, by its President, any Managing Director or any Executive Director or by such person or persons, whether or not employed by the Corporation, as may be designated from time to time by the Board of Directors.

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**Rule 10. Amendment of EPN Rules**

The Corporation shall promptly notify all EPN Users and ~~R~~registered ~~C~~clearing ~~A~~gencies of any proposal it has made to change, revise, add or repeal any EPN Rule, and of the text or a brief description of the proposed EPN Rule and its purpose and effect, by posting such proposal on its website. ~~All~~ EPN Users and ~~R~~registered ~~C~~clearing ~~A~~gencies may submit to the Corporation for its consideration their comments with respect to any such proposal, and such comments shall be filed with the Corporation's records and copies thereof delivered to the Securities and Exchange Commission.

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**Rule 14. Limitations of Liability**

(a) Notwithstanding any affiliation between the Corporation and any other entity, including another ~~C~~clearing ~~A~~gency, except as otherwise expressly provided by written agreement between the Corporation and such other entity:

(i) the Corporation shall not be liable for any obligations of such other entity nor shall any fund or any other assets of the Corporation be available to such other entity (or any person claiming through such other entity) for any purpose, and no Participant or EPN User shall assert against the Corporation any claim based upon any obligations of any other entity to such Participant or EPN User; and

(ii) such other entity shall not be liable for any obligations of the Corporation nor shall any fund or any other assets of such other entity be available to the Corporation (or any person claiming through the Corporation) for any purpose, and no Participant or EPN User shall

assert against such other entity any claim based upon any obligations of the Corporation to such Participant or EPN User.

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## **Rule 16. Notices**

Any notice pursuant to these EPN Rules from the Corporation to an Interested Person shall be sufficiently served on such Interested Person if the notice is in writing, and is mailed to the Interested Person's office address, is sent via electronic mail to the Interested Person's electronic mail address or is transmitted by facsimile machine to a facsimile machine located either in the Interested Person's office or elsewhere as designated by such Interested Person. Any notice to an Interested Person, if mailed, shall be deemed to have been given when deposited in the United States Postal Service, with postage thereon prepaid, directed to the Interested Person at its office address, and if sent via electronic mail, shall be deemed given when routed to the electronic mail address of the Interested Person. Any notice to an Interested Person, if transmitted by facsimile machine as provided above, shall be deemed to have been given when such transmission is verified on the facsimile machine of the Corporation as having been transmitted.

Notwithstanding anything in these EPN Rules to the contrary, the Corporation may distribute notices to all Interested Persons by posting such notices on the Corporation's website. The Corporation shall deem a notice ~~delivered~~ **sufficiently served** once such notice is successfully posted to the website, **and it is the responsibility of the Interested Persons to retrieve notices daily from the Corporation's website.**

**Any notice from an Interested Person to the Corporation shall be sufficiently served on the Corporation if the notice is in writing and is delivered, mailed, or transmitted by facsimile machine to the Corporation at its principal place of business, Attention: Secretary, or such other place as the Corporation designates. Any such notice to the Corporation shall be deemed to have been given when received.**

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**FIXED INCOME CLEARING CORPORATION  
MORTGAGE-BACKED SECURITIES DIVISION (“MBSD”)  
EPN SCHEDULE OF CHARGES**

**ACCOUNT MAINTENANCE FEES**

Direct Account: \$1,000.00/month (per  
account) Investment Manager Accounts<sup>1</sup>

1 Account	\$ 1,000.00/Mo./each
2 or 3 Accounts	\$ 530.00/Mo./each
4 through 7 Accounts	\$ 430.00/Mo./each
8 through 10 Accounts	\$ 370.00/Mo./each
<del>Greater than 10 Accounts</del> <b><u>11 Accounts and over</u></b>	\$ 340.00/Mo./each

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**MESSAGE PROCESSING FEES**

ON Send: \$ .19/million Current Face (Opening of Business to 1:00 p.m.)  
\$ .95/million Current Face (1:00 p.m. to 2:00 p.m.)  
\$ 1.90/million Current Face (2:00 p.m. to 3:00 p.m.)  
\$ 1.58/million Current Face (3:00 p.m. to Close of Business)

ON Receive: \$ .51/million Current Face (Opening of Business to 1:00 p.m.)  
\$ .26/million Current Face (1:00 p.m. to 2:00 p.m.)  
\$ .26/million Current Face (2:00 p.m. to 3:00 p.m.)  
p.m.) No Charge (3:00 p.m. to Close of

Business)

~~DK Send or Receive: No Charge~~

~~Cancel Send or Receive: No Charge~~

~~Retransmission Request: No Charge~~

### Pool Substitution Cancel/Correct

Cancel/Correct Send: \$0.19/million Current Face (Open of Business up to 11:00 a.m.)

\$0.95/million Current Face (11:00 a.m. up to 12:00 p.m.)

\$1.90/million Current Face (12:00 p.m. up to 12:15 p.m.)

\$0.19/million Current Face (12:15 p.m. to End of Day)

~~Cancel/Correct Receive: No Charge~~

~~Cancel/Correct DK Send or Receive: No Charge~~

~~Cancel/Correct Retransmission~~

~~Request: No Charge~~