

**Bolded, underlined text** indicates proposed added language

**~~Bolded, strikethrough text~~** indicates proposed deleted language

**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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**Participant**

The term "Participant" means any person qualified pursuant to the Corporation's EPN Rules to participate in the Comparison and Clearing System.

**Reportable Event**

**The term "Reportable Event" means an event that would effect a change in control of an EPN User or could have a substantial impact on such EPN User's business and/or financial condition, including, but not limited to: (a) material organizational changes including mergers, acquisitions, changes in corporate form, name changes, changes in the ownership of an EPN User or its affiliates, and material changes in management, and (b) status as a defendant in litigation, which could reasonably impact the EPN User's financial condition or ability to conduct business.**

**Securities**

The term "Securities" means Mortgage-Backed Securities and any other securities designated by the Corporation as EPN Eligible Securities.

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**ARTICLE III  
EPN USERS**

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

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**Sec. 8. General Continuance Standards**

**An EPN User shall promptly inform the Corporation, both orally and in writing, if the EPN User is no longer in compliance with any of the requirements for admission to membership set forth in the EPN Rules. Notification must take place within two Business Days from the date on which the EPN User first learns of its non-compliance. In addition, an EPN User shall notify the Corporation within two Business Days of learning of an investigation or proceeding to which it is or is becoming subject that would cause the EPN User to fall out of compliance with any of the relevant requirements for membership set forth in the EPN Rules. Notwithstanding the previous sentence, the EPN User shall not be required to notify the Corporation if doing so would cause the EPN User to violate an applicable law, rule or regulation. If (a) the EPN User fails to maintain the relevant requirements for admission to membership, including but not limited to operational testing and related reporting requirements imposed by the Corporation from time to time; (b) the EPN User violates any EPN Rule or other agreement with the Corporation; (c) the EPN User fails to satisfy in a timely manner any obligation to the Corporation; (d) there is a Reportable Event relating to such EPN User; or (e) the Corporation otherwise deems it necessary or advisable, in order to protect the Corporation, its other EPN Users, or its creditors or investors, to safeguard securities and funds in the custody or control of the Corporation, or to promote the prompt and accurate processing, clearance or settlement of securities transactions, the Corporation will undertake action to determine the status of the EPN User and its continued eligibility.**

**Furthermore, an EPN User must submit to the Corporation written notice of any Reportable Event at least 90 calendar days prior to the effective date of such Reportable Event unless the EPN User demonstrates that it could not have reasonably done so, and provided notice, both orally and in writing, to the Corporation as soon as possible.**

**In addition, if the Corporation has reason to believe that an EPN User may fail to comply with any of the EPN Rules, the Corporation may require the EPN User to provide it, within such timeframe, in such detail, and pursuant to such manner as the Corporation shall determine, with assurances in writing of a credible nature that the EPN User shall not, in fact, violate any of the EPN Rules.**

**Sec. 8-9. Confidentiality.**

Any information furnished to the Corporation pursuant to this Rule shall be held in at least the same degree of confidence as may be required by law or the rules and regulations of the appropriate regulatory body having jurisdiction over the applicant or EPN User.

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

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**ADDITIONAL FEES FOR LATE PAYMENT OF EPN BILLS**

<b>Payable Cash Obligation</b>	<b>1st Occurrence*</b>	<b>2nd Occurrence</b>	<b>3rd Occurrence</b>	<b>4th Occurrence</b>
\$50.00 - \$100,000.00	\$50.00	\$100.00	\$250.00	\$500.00

\* The number of occurrences are calculated based on a rolling 90-day basis, with any one day on which a late payment is made counted as a separate occurrence, even if such participant incurred a late fee on the prior day. A Participant who fails to timely satisfy its Cash Obligations on more than four occasions within a rolling 90-day period will be subject to additional late fees for each such occurrence in an amount equal to the fee for the fourth occurrence up to twice the fee for the fourth occurrence determined at **the Corporation’s FICC’s** discretion depending on the magnitude and history of the Participant’s late payments. **The Corporation FICC** reserves the discretion to waive or reduce late fees when a particular occurrence is not deemed to be the fault of the Participant or the Participant has provided **the Corporation FICC** with evidence that it is taking appropriate corrective action to prevent reoccurrence.

**THIRD PARTY FEES AND CHARGES**

**The Corporation FICC** may also bill EPN Users for, and include on the EPN Users’ billing statements, fees and charges which may be imposed on such EPN Users by third parties such as: (a) other subsidiaries of The Depository Trust **& Clearing** Corporation; (b) self-regulatory organizations and other securities industry organizations or entities of which such EPN User is a member, where such third party has represented to the Corporation that it has an agreement with the EPN User allowing the EPN User’s payment of such fees and charges; and (c) other organizations and entities which provide services or equipment to EPN Users which are integral to services provided by **the Corporation FICC**. Any amounts so collected will be remitted to the entity imposing such fee or charge.

Such fees and charges may include those of companies that identify themselves as being an affiliate of the EPN User. EPN Users should check their billing statements, which shall reflect all such charges, and report any problems to **the Corporation FICC** immediately.

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