

**EXHIBIT 5A**

**Bold and underlined text** indicates proposed added language.

**~~Bold and strikethrough text~~** indicates proposed deleted language.

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

RULE 1 – DEFINITIONS\*

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Minimum Margin Amount

The term “Minimum Margin Amount” means a minimum volatility calculation for specified net unsettled positions of a Clearing Member, calculated using the historical market price changes of such benchmark TBA securities determined by the Corporation. The Minimum Margin Amount shall cover such range of historical market price moves and parameters as the Corporation from time to time deems appropriate using a look-back period of no less than one year and no more than three years.

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VaR Charge

The term “VaR Charge” means, with respect to each margin portfolio, a calculation of the volatility of specified net unsettled positions of a Clearing Member, as of the time of such calculation (with respect to the specified net unsettled positions as of the time of such calculation). Such volatility calculations shall be made in accordance with any generally accepted portfolio volatility model, including, but not limited to, any margining formula employed by any other clearing agency registered under Section 17A of the Exchange Act. Such calculation shall be made utilizing such assumptions (including confidence levels) and based on such historical data as the Corporation deems reasonable, and shall cover such range of historical volatility as the Corporation from time to time deems appropriate. To the extent that the primary source of such historical data becomes unavailable for an extended period of time, the Corporation shall utilize the Margin Proxy as an alternative volatility calculation. If the volatility calculation is lower than ~~an amount designated by the Corporation~~ (the “VaR Floor”) then the VaR Floor will be utilized as such Clearing Member’s VaR Charge.

VaR Floor

The term “VaR Floor” means, with respect to each margin portfolio, the greater of (i) the VaR Floor Percentage Amount and (ii) the Minimum Margin Amount.

VaR Floor Percentage Amount

~~Such VaR Floor will be determined by multiplying~~ The term “VaR Floor Percentage Amount” means the sum of the absolute values of Long Positions and Short Positions, at market value, multiplied by a percentage designated by the Corporation that is no less than 0.05% and no greater than 0.30%. The Corporation shall determine the percentage within this range to be applied based on factors including but not limited to a review performed at least annually of the impact of the VaR Floor parameter at different levels within the range to the backtesting performance and to Clearing Members’ margin charges. The Corporation

shall inform Clearing Members of the applicable percentage utilized by the VaR Floor by an Important Notice issued no later than 10 Business Days prior to the implementation of such percentage.

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