

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

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

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

## RULE 2A – INITIAL MEMBERSHIP REQUIREMENTS

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### Section 7 Membership Agreement

Each ~~applicant to become a Member shall sign and deliver to the Corporation a Membership Agreement whereby the applicant shall~~ agrees:

(a) to abide by these Rules ~~of the Corporation~~ and to be bound by all the provisions thereof;

(b) to pay to the Corporation in a timely manner the compensation provided for by these Rules ~~of the Corporation~~ for services rendered and such costs and fines as may be imposed in accordance with ~~such these~~ Rules of the Corporation for the failure to comply therewith;

(c) to be bound by any amendment to these Rules ~~of the Corporation~~ with respect to any transaction occurring subsequent to the time such amendment takes effect as fully as though such amendment were now a part of these Rules ~~of the Corporation~~;

(d) to continue to be bound by these Rules ~~of the Corporation~~, notwithstanding that it may have terminated its membership, as to all matters and transactions occurring while it was a Member;

(e) if it is ~~applying to become~~ a Netting Member, to: (i) submit to the Corporation for comparison, pursuant to Rule 5, data on all of its eligible trades with other Netting Members, (ii) deliver to the Corporation or receive from the Corporation the securities underlying all trades that have been reported as being netted and all monies related thereto, in accordance with these Rules ~~of the Corporation~~, and (iii) pay or deliver to the Corporation in a timely manner all amounts due pursuant to Rule 4 with regard to its Required Fund Deposit and any loss or liability allocated to it;

(f) that the determination of the Board as to any questions arising with regard to any payment, charge, fee, deposit, or fine to which it may be subject shall be final and conclusive, except as may be otherwise provided in these Rules; and

(g) to any other terms and conditions deemed by the Corporation to be necessary in order to protect itself and its Members, including, for a Foreign Member, all agreements, opinions of counsel, and other legal documentation required by the Corporation.

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## RULE 3B – CENTRALLY CLEARED INSTITUTIONAL TRIPARTY SERVICE

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### Section 4 – Membership Agreement

Each ~~applicant to become a~~ CCIT Member ~~shall sign and deliver to the Corporation a membership agreement whereby the applicant shall agree, as applicable:~~

(a) to abide by these Rules ~~of the Corporation~~ and to be bound by all the provisions thereof;

(b) to pay to the Corporation in a timely manner the compensation provided for by these Rules ~~of the Corporation~~ for services rendered and such costs and fines as may be imposed in accordance with ~~such these~~ these Rules ~~of the Corporation~~ for the failure to comply therewith;

(c) to be bound by any amendment to these Rules ~~of the Corporation~~ with respect to any transaction occurring subsequent to the time such amendment takes effect as fully as though such amendment were now a part of these Rules ~~of the Corporation~~;

(d) to continue to be bound by these Rules ~~of the Corporation~~, notwithstanding that it may have terminated its membership, as to all matters and transactions occurring while it was a CCIT Member;

(e) to fulfill its settlement obligations to the Corporation in accordance with these Rules ~~of the Corporation~~ and pay or deliver to the Corporation in a timely manner all amounts due and any loss or liability allocated to it pursuant to these Rules ~~of the Corporation~~;

(f) that the determination of the Board as to any questions arising with regard to any payment, charge, fee, deposit, or fine to which it may be subject shall be final and conclusive, except as may be otherwise provided in these Rules;

(g) if the ~~applicant~~ CCIT Member is represented at any time by a Joint Account Submitter and is participating through a Joint Account, (i) to cause the Joint Account Submitter to fulfill all obligations of a Joint Account Submitter under these Rules, (ii) that the failure of the Joint Account Submitter to fulfill the requirements of the CCIT Member and/or the Joint Account under these Rules shall not excuse such CCIT Member's obligations to the Corporation pursuant to the Rules and (iii) that the Joint Account may be liable for the failure of the Joint Account Submitter to fulfill the obligations of a Joint Account Submitter under these Rules;

(h) if the ~~applicant~~ CCIT Member is represented at any time by a Joint Account Submitter and is participating through a Joint Account, (i) to specify its Joint Account Submitter in advance of such Joint Account Submitter submitting its first trade on behalf of the ~~applicant~~ CCIT Member, (ii) to provide the Corporation with advance notice in writing of a change in its Joint Account Submitter and (iii) to not revoke the authority of its Joint Account Submitter without providing the Corporation with advance written notice; and

(i) to any other terms and conditions deemed by the Corporation to be necessary in order to protect itself and its Members (including CCIT Members), including all agreements, opinions of counsel and other legal documentation required by the Corporation.

Each ~~applicant to become a~~ CCIT Member that plans to participate through a Joint Account must enter into a Joint Account Submitter Agreement with the Corporation.

Each CCIT Member that is represented by a Joint Account Submitter shall only be entitled to and liable for rights and obligations arising under or in connection with CCIT Transactions allocated to such CCIT Member. To the extent a Joint Account or Joint Account Submitter incurs obligations to the Corporation that are unallocated, each CCIT Member represented by such Joint Account Submitter shall only be liable for its pro rata share of such obligations.

The Corporation may terminate a Joint Account Submitter Agreement if: (i) the relevant Joint Account or any CCIT Member that participates in the Joint Account fails to satisfy the requirements applicable to it under these Rules; (ii) the Joint Account Submitter fails to satisfy the requirements of these Rules relating to such Joint Account Submitter; or (iii) the Corporation determines, in its sole discretion, that such action is necessary for the protection of the Corporation or its Members (including CCIT Members).

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**RULE 13 – FUNDS-ONLY SETTLEMENT**

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Section 4 – Funds-Only Settling Bank Members

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(d) Each ~~applicant in (b)(i), (b)(ii), (b)(iii) and (b)(iv)~~ **Funds-Only Settling Bank Member shall sign and deliver to the Corporation:**

(i) ~~a membership agreement whereby the bank or trust company shall agree to:~~

- (1) ~~to~~ abide by these ~~Rules of the Corporation~~ applicable to Funds-Only Settling Bank Members and to be bound by all provisions thereof and that the Corporation shall have all the rights and remedies contemplated by the Rules; and
- (2) ~~to~~ be bound by any amendment to these ~~Rules of the Corporation~~ with respect to any transaction occurring subsequent to such time such amendment takes effect as fully as though such amendment were now a part of these ~~Rules of the Corporation~~.

(ii) **shall sign and deliver to the Corporation:**

- (1)** the “Appointment of Funds-Only Settling Bank and Funds-Only Settling Bank Agreement”;
- ~~(iii)~~**(2)** the agreement(s) authorizing the Corporation’s Settlement Agent to utilize NSS for funds-only settlement as the relevant FRB may require; and
- ~~(iv)~~**(3)** a Cybersecurity Confirmation.

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## RULE 32 - SIGNATURES

**With respect to any and all agreements and other documents entered into between a Member, Sponsoring Member, Sponsored Member, CCIT Member or Funds-Only Settling Bank Member and the Corporation, or otherwise delivered to or by t**~~The Corporation pursuant to these Rules, the use of may, at its option, in lieu of relying on an original signature, rely on an electronic signature as if it were (and the signature shall be considered ~~and~~ have the same validity and effect as) ~~a valid and binding original the use of a~~ signature affixed by hand~~in the following circumstances:~~~~

~~If such signature is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, xeroxing, electronic mail, electronic data interchange, telegram, or telex).~~

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## RULE 38 – GOVERNING LAW AND CAPTIONS

### Section 1 – Governing Law

These Rules, **and all agreements and other documents entered into between a Member, Sponsoring Member, Sponsored Member, CCIT Member or Funds-Only Settling Bank Member and the Corporation, or otherwise delivered to or by the Corporation pursuant to these Rules,** and the rights and obligations **thereunder**~~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, **unless otherwise expressly provided.**

### 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 40 - GENERAL PROVISIONS

### Section 1

Every Member shall ~~appoint designate~~ a representative of the Member that is duly authorized in the name of and on behalf of the Member to sign all instruments, to correct errors and to perform such other duties as may be required under these Rules and to transact all business requisite in connection with the operations of the Corporation which representative shall be capable of taking such action in a manner consistent with the daily time schedules and other requirements established by or pursuant to these Rules. ~~If the representative of the Member is not a general partner in the Member's or is not an officer of the Member's Corporation, such representative shall, in the case of a firm, be authorized to act by written power of attorney, or in the case of a Corporation, by resolution by the board of directors of such Corporation. Such power of attorney or resolution, as the case may be, shall be in such form approved by the Corporation.~~

~~Members shall file with the Corporation the signatures of the members of their firms or the officers of their Corporations and of the representatives of such firms or Corporations who are authorized to sign checks, agreements, receipts, orders and other papers necessary for conducting business with the Corporation together with the powers of attorney or other instruments giving such authority.~~

Each Member shall be allotted a number which must appear on the face of all forms used by it in connection with the operations of the Corporation.

### Section 2

A Member may appoint one or more persons as its agent(s) with respect to all contracts or transactions compared through or by the Corporation and all matters relating thereto, provided that such appointment has been consented to by the Corporation and is evidenced by such appointments, authorizations, certifications and other agreements in such form as may be required by the Corporation.

### Section 3

The Corporation may, in its discretion, require Members to provide appropriate staff in their offices during specified hours on non-Business Days when such is deemed necessary by the Corporation to insure the integrity of its systems and/or for the protection of the Corporation.

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

RULE 2A – INITIAL MEMBERSHIP REQUIREMENTS

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Section 5 - Member Agreement

Each ~~applicant to become a~~ Clearing Member ~~shall sign and deliver to the Corporation a Member Agreement whereby the applicant shall~~ agrees:

(a) to abide by these Rules ~~of the Corporation~~ and to be bound by all the provisions thereof;

(b) to pay to the Corporation in a timely manner the compensation provided for by these Rules ~~of the Corporation~~ for services rendered and such costs and fines as may be imposed in accordance with ~~such~~ these Rules ~~of the Corporation~~ for the failure to comply therewith;

(c) to be bound by any amendment to these Rules ~~of the Corporation~~ with respect to any Transaction occurring subsequent to the time such amendment takes effect as fully as though such amendment were now a part of these Rules ~~of the Corporation~~;

(d) to continue to be bound by the Rules of the Corporation, notwithstanding that it may have terminated its membership, as to all matters and Transactions occurring while it was a Member;

(e) to deliver to the Corporation or the settlement counterparty, as applicable, or receive from the Corporation or the settlement counterparty, as applicable, the securities underlying all trades that have been reported by the Corporation and all monies related thereto, in accordance with these Rules ~~of the Corporation~~, and pay or deliver to the Corporation in a timely manner all amounts due pursuant to Rule 4 with regard to its Required Fund Deposit and any loss or liability allocated to it;

(f) that the determination of the Board as to any questions arising with regard to any payment, charge, fee, deposit, or fine to which it may be subject shall be final and conclusive, except as may be otherwise provided in these Rules; and

(g) to any other terms and conditions deemed by the Corporation to be necessary in order to protect itself and its Members, including all agreements, opinions of counsel, and legal and other documentation required by the Corporation.

These Rules and the procedures adopted from time to time by the Corporation shall be deemed incorporated in each contract processed through the Corporation. To the extent that the terms contained in any other agreement between Members are inconsistent with the provisions of these Rules or the procedures, these Rules and the Corporation's procedures shall be controlling.

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RULE 3A - CASH SETTLEMENT BANK MEMBERS

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(d) Each ~~applicant in subsections (b)(i) through (b)(iv)~~ Cash Settling Bank Members ~~shall sign and deliver to the Corporation:~~

(i) ~~a membership agreement whereby the bank or trust company shall agree to:~~

(1) ~~to~~ to abide by these Rules ~~of the Corporation~~ applicable to Cash Settling Bank Members and to be bound by all provisions thereof and that the Corporation shall have all the rights and remedies contemplated by these Rules; and

(2) ~~to~~ to be bound by any amendment to these Rules ~~of the Corporation~~ with respect to any transaction occurring subsequent to such time such amendment takes effect as fully as though such amendment were now a part of these Rules ~~of the Corporation~~.

(ii) shall sign and deliver to the Corporation:

(1) the “Appointment of Cash Settling Bank and Cash Settling Bank Agreement”;

~~(iii)~~(2) the agreement(s) authorizing the Corporation’s Settlement Agent to utilize NSS for cash settlement as the relevant FRB may require; and

~~(iv)~~(3) a Cybersecurity Confirmation.

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RULE 24 - SIGNATURES

**With respect to any and all agreements and other documents entered into between a Member and the Corporation, or otherwise delivered to or from the Corporation pursuant to these Rules, the use of may, at its option, in lieu of relying on an original signature, rely on an electronic signature as if it were (and the signature shall be considered and have the same validity and effect as) a valid and binding original the use of a signature affixed by hand in the following circumstances: if such signature is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, xeroxing, electronic mail, electronic data interchange, telegram, or telex).**

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RULE 29 – GOVERNING LAW AND CAPTIONS

Section 1 – Governing Law

These Rules, **and all agreements and other documents entered into between a Member and the Corporation, or otherwise delivered to or from the Corporation pursuant to these Rules,** and the rights and obligations **thereunder**~~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, **unless otherwise expressly provided.**

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 31 - GENERAL PROVISIONS

Section 1

Every Member shall ~~appoint designate~~ a representative of the Member that is duly authorized in the name of and on behalf of the Member to sign all instruments, to correct errors and to perform such other duties as may be required under these Rules and to transact all business requisite in connection with the operations of the Corporation which representative shall be capable of taking such action in a manner consistent with the daily time schedules and other requirements established by or pursuant to these Rules. ~~If the representative of the Member is not a general partner in the Member's Corporation or is not an officer of the Member's corporation, such representative shall, in the case of a firm, be authorized to act by written power of attorney, or in the case of a corporation, by resolution by the board of directors of such corporation. Such power of attorney or resolution, as the case may be, shall be in such form approved by the corporation.~~

~~Members shall file with the Corporation the signatures of the members of their firms or the officers of their corporations and of the representatives of such firms or corporations who are authorized to sign checks, agreements, receipts, orders and other papers necessary for conducting business with the Corporation together with the powers of attorney or other instruments giving such authority.~~

Each Member shall be allotted a number which must appear on the face of all forms used by it in connection with the operations of the Corporation.

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

**ARTICLE III  
EPN USERS**

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

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Sec. 3. Agreements of EPN Users

An ~~applicant whose EPN User Profile, submitted for the purpose of becoming an~~ EPN User, ~~has been approved by the Corporation shall agree to sign and deliver to the Corporation an EPN User Agreement whereby it agrees, in addition to such other things as the Corporation may specify:~~

(a) that the only service or system offered by the Corporation that it will utilize as an EPN User is the EPN Service;

(b) that, except to the extent waived by the Corporation, the ~~applicant~~ EPN User shall abide by these EPN Rules and shall be bound by all the provisions thereof, ~~the applicant acknowledging and~~ that the Corporation shall have all of the rights and remedies contemplated by these EPN Rules;

(c) that, except to the extent waived by the Corporation, these EPN Rules shall be a part of the terms and conditions of every contract or Message which the ~~applicant, while an~~ EPN User, may make or have with the Corporation and of every contract or Message into which the ~~applicant, while an~~ EPN User, may enter which relates to the EPN Service;

(d) that, upon becoming an EPN User, the applicant shall utilize the EPN Service for all Messages relating to EPN Eligible Securities, except for those Messages which the Corporation specifically exempts and those Messages which both parties agree not to send through the EPN Service;

(e) that the ~~applicant~~ EPN User shall pay to the Corporation (i) the compensation specified in the fee schedules of the Corporation for services rendered to the ~~applicant while an~~ EPN User, (ii) such fines as may be imposed in accordance with these EPN Rules for the failure of the ~~applicant, while an~~ EPN User, to comply therewith, and (iii) such other amounts as may become payable to the Corporation by the ~~applicant, while an~~ EPN User, under these EPN Rules; and

(f) that the ~~applicant~~ EPN User shall be bound by any amendment to these EPN Rules with respect to any Message occurring subsequent to the time such amendment takes effect as fully as though such amendment were a part of these EPN Rules ~~at the time application is made~~; provided, however, that no such amendment shall affect the ~~applicant's~~ EPN User's right to cease to be an EPN User.

Notwithstanding Section 3(d) of this Rule 1, in the event of an EPN Service system disruption and an extension of the cut-off times for communicating pool allocation information



pursuant to SIFMA Guidelines, EPN Users may be relieved of their obligation to process Messages through the EPN Service until later in the Business Day or the beginning of the next Business Day after the EPN Service system has been recovered.

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**ARTICLE V  
MISCELLANEOUS**

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**Rule 9. Governing Law and Captions**

Sec. 1.

These EPN Rules, **and all agreements and other documents entered into between an EPN User and the Corporation, or otherwise delivered to or from the Corporation pursuant to these EPN Rules,** and the rights and obligations ~~thereunder~~ ~~the EPN 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, **unless otherwise expressly provided.**

Sec. 2.

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

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**Rule 15. Signatures**

**With respect to any and all agreements and other documents entered into between an EPN User and the Corporation, or otherwise delivered to or by t**~~The Corporation~~ **pursuant to these EPN Rules, the use of** ~~may, at its option, in lieu of relying on an original signature, rely on an electronic signature as if it were (and the signature shall be considered and~~ have the same **validity and** ~~effect as) a valid and binding original~~ ~~the use of a~~ signature **affixed by hand**~~in the following circumstances:~~

~~If such signature is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, xeroxing, electronic mail, electronic data interchange, telegram, or telex).~~

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