

Bolded, underlined text indicates proposed added language.

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

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

RULE 13 – FUNDS-ONLY SETTLEMENT

Section 5 – Funds-Only Settlement Amount Payment Process

(b) By the Acknowledgement Cutoff Time, the Funds-Only Settling Banks, without exception, must acknowledge to the Corporation via the designated terminal system their Net Funds-Only Settlement Figures and (1) their intention to settle with the Corporation their Net Funds-Only Settlement Figures, or (2) their refusal to settle for one or more particular Netting Members. The Acknowledgement Cutoff Time shall be the later of: (i) 30 minutes after the Funds-Only Settling Bank has been notified that such payment is due, or (ii) 30 minutes prior to the payment deadlines established by the Corporation. Notwithstanding the foregoing, a Funds-Only Settling Bank that is a Netting Member and settles solely for its own account **may not refuse to settle for itself but** may opt to not acknowledge its Funds-Only Settlement Amount; if such Funds-Only Settling Bank chooses to opt out, it shall not be subject to subsections (k) and (l) below.

**RULE 27 - ADMISSION TO PREMISES OF THE CORPORATION,
POWERS OF ATTORNEY, ETC.**

No person will be permitted to enter the premises of the Corporation as the representative of any Member unless he has first been approved by the Corporation and has been issued such credentials as the Corporation may from time to time prescribe and such credentials have not been canceled or revoked. Such credentials must be shown on demand, **and to gain entry to the Corporation's premises, must be prominently displayed while on said premises,** and may limit the portions of the premises to which access is permitted thereunder. Any credentials issued pursuant to this Rule may be revoked at any time by the Corporation in its discretion, and prompt notice of such revocation shall be given to the employer of the person whose credentials have been so revoked.

Any Member shall, if any person in its employ to whom any credentials have been issued pursuant to this Rule or to whom a power of attorney or other authorization has been given to act for it in connection with the work of the Corporation shall for any reason cease to be so employed, give to the Corporation immediate notice in writing of such termination of employment and if any such power of attorney or other authorization is otherwise revoked or canceled, shall likewise give to the Corporation immediate notice in writing of such revocation or cancellation. All credentials issued pursuant to this Rule shall be immediately surrendered to the Corporation upon their revocation by the Corporation or by the employer or upon the termination of the employment of the holder thereof.

Unless revoked by the Corporation, all credentials, authorizations, and powers of attorney issued pursuant to this Rule or in connection with the work of the Corporation shall remain in full force and effect until the Corporation shall have received written notice of the revocation thereof or of the termination of the holder's employment.

FIXED INCOME CLEARING CORPORATION
MORTGAGE-BACKED SECURITIES DIVISION
CLEARING RULES

RULE 11 – CASH SETTLEMENT

Section 9 – Cash Settlement

(b) By the Acknowledgement Cutoff Time, the Cash Settling Banks, without exception, must acknowledge to the Corporation via the designated terminal system their Total Debit Cash Balance Figures and Total Credit Cash Balance Figures and (1) their intention to settle with the Corporation such Figures, or (2) their refusal to settle for one or more particular Members. The Acknowledgement Cutoff Time shall be the later of: (i) 30 minutes after the Cash Settling Bank has been notified that such payment is due, or (ii) 30 minutes prior to the payment deadlines established by the Corporation. Notwithstanding the foregoing, a Cash Settling Bank that is a Member and settles solely for its own account **may not refuse to settle for itself but** may opt to not acknowledge its Cash Settlement amount; if such Cash Settling Bank chooses to opt out, it shall not be subject to subsections (k) and (l) below.

RULE 20 - ADMISSION TO PREMISES OF THE CORPORATION, POWERS OF ATTORNEY, ETC.

No person will be permitted to enter the premises of the Corporation as the representative of any Member unless he has first been approved by the Corporation and has been issued such credentials as the Corporation may from time to time prescribe and such credentials have not been canceled or revoked. Such credentials must be shown on demand **and to gain entry to the Corporation's premises, must be prominently displayed while on said premises**, and may limit the portions of the premises to which access is permitted thereunder. Any credentials issued pursuant to this Rule may be revoked at any time by the Corporation in its discretion, and prompt notice of such revocation shall be given to the employer of the person whose credentials have been so revoked.

Any Member shall, if any person in its employ to whom any credentials have been issued pursuant to this Rule or to whom a power of attorney or other authorization has been given to act for it in connection with the work of the Corporation shall for any reason cease to be so employed, give to the Corporation immediate notice in writing of such termination of employment and if any such power of attorney or other authorization is otherwise revoked or canceled, shall likewise give to the Corporation immediate notice in writing of such revocation

or cancellation. All credentials issued pursuant to this Rule shall be immediately surrendered to the Corporation upon their revocation by the Corporation or by the employer or upon the termination of the employment of the holder thereof.

Unless revoked by the Corporation, all credentials, authorizations, and powers of attorney issued pursuant to this Rule or in connection with the work of the Corporation shall remain in full force and effect until the Corporation shall have received written notice of the revocation thereof or of the termination of the holder's employment.

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

EPN RULES

ARTICLE III

EPN USERS

Rule 4. Admission to Premises of Corporation; Powers of Attorney

No person shall be permitted to enter the premises of the Corporation as the representative of any EPN User unless such person has first been approved by the Corporation and has been issued such credentials as the Corporation may from time to time prescribe and such credentials have not been canceled or revoked. Such credentials must be shown on demand **and to gain entry to the Corporation's premises, must be prominently displayed while on said premises**, and may limit the portions of the premises to which access is permitted therewith. Any credentials issued pursuant to this Rule may be revoked at any time by the Corporation in its discretion, and prompt notice of such revocation shall be given to the employer of the person whose credentials have been so revoked.

Each EPN User shall, if any person in its employ to whom any credentials have been issued pursuant to this Rule or to whom a power of attorney or other authorization has been given to act for it in connection with the work of the Corporation for any reason ceases to be so employed, give to the Corporation **promptimmediate** notice in writing of such termination of employment and, if any such power of attorney or other authorization is otherwise revoked or canceled, shall likewise give to the Corporation **promptimmediate** notice in writing of such revocation or cancellation. All credentials issued pursuant to this Rule shall be immediately surrendered to the Corporation upon their revocation by the Corporation or by the employer, or upon the termination of the employment of the holder thereof.

Unless revoked by the Corporation, all credentials, authorizations, and powers of attorney issued pursuant to this Rule 4 or in connection with the work of the Corporation shall remain in full force and effect until the Corporation shall have received written notice of the revocation thereof or of the termination of the holder's employment.

ARTICLE V
MISCELLANEOUS

Rule 6. Limitation on Liability of the Corporation; Fidelity Bond

Sec. 3. Fidelity Bond

The Corporation shall ~~maintain fidelity bond coverage in an amount of not less than \$10,000,000 insuring the Corporation against any losses which it may sustain as a result of, among other things, the dishonest or fraudulent act of employees, or the dishonesty or fraud of others~~ use its best efforts to maintain, or arrange for the maintenance by the Corporation of such insurance, including fidelity bonds, in such amounts and having such coverage regarding the business of the Corporation, as the Board shall deem appropriate. The insurance policies or contracts pursuant to which such insurance is provided shall be open to the inspection of the Members at the offices of the Corporation during regular business hours on Business Days. If the Corporation shall materially reduce the amount or coverage of any such insurance or the persons providing such insurance shall notify the Corporation of a material reduction in the amount of coverage thereof, the Corporation shall promptly notify each Member and the Securities and Exchange Commission thereof stating the effective date of such reduction.

Rule 20. Distribution Facilities

~~If deemed necessary, the Corporation will establish distribution facilities which may, subject to such regulations as the Corporation may from time to time prescribe, be used by EPN User for the distribution of papers, documents and other material incidental to the ordinary course of business.~~

~~The Corporation assumes no responsibility whatever for the form or content of any papers, documents or other material (other than items prepared by it) placed in the boxes in its distribution facilities assigned to each EPN User or otherwise handled by the Corporation; nor does the Corporation assume any responsibility for any improper or unauthorized removal from such boxes or from the Corporation's facilities of any such papers, documents or other material, including items prepared by the Corporation.~~

~~Each EPN User shall send an authorized representative to the Corporation's distribution facilities at frequent intervals to pick up documents or material made available to the EPN User by the Corporation.~~

~~The Corporation's distribution facilities will remain open on Business Days during the hours specified by the Corporation.~~
