

EXHIBIT 5

and indicates proposed added language

~~and~~ indicates proposed deleted language

and shaded indicates proposed language added in connection with a separate proposal that has not yet been approved (SR-FICC-2017-005 and SR-FICC-2017-803, filed on March 9, 2017)

~~and shaded~~ indicates proposed language deleted in connection with a separate proposal that has not yet been approved (SR-FICC-2017-005 and SR-FICC-2017-803, filed on March 9, 2017)

FIXED INCOME CLEARING CORPORATION

GOVERNMENT SECURITIES DIVISION RULEBOOK

RULE 1 – DEFINITIONS

Credit Risk Rating Matrix

The term “Credit Risk Rating Matrix” ~~refers to~~ means to a matrix of credit ratings of Members specified in Section 12 of Rule 3. The matrix is developed by the Corporation to ~~rate~~ evaluate the credit risk such Members a Netting Member’s potential risk pose to the Corporation and its Members and is based on factors determined to be relevant by the Corporation from time to time, which factors are designed to collectively reflect the Member’s financial and operational condition of a Member. These factors include (i) quantitative factors, such as capital, assets, earnings, and liquidity, and (ii) qualitative factors, such as management quality, market position/environment, and capital and liquidity risk management, as determined by financial information required to be submitted by that Member and other relevant information.

Watch List

The term “Watch List” ~~refers to~~ means, at any time and from time to time, the list of Members whose credit ratings derived from the Credit Risk Rating Matrix are 5, 6 or 7, as well as members that, based on the Corporation’s consideration of relevant factors, including those set forth in Section 12(d) of Rule 3, are deemed by the Corporation to pose a heightened risk to the Corporation and its Members being more closely monitored by the Corporation for any reason deemed necessary by the Corporation.

RULE 3 – ONGOING MEMBERSHIP REQUIREMENTS

Section 7 - General Continuance Standards

A Member shall promptly inform the Corporation, both orally and in writing, if it no longer is in compliance with any of the relevant qualifications and standards for admission to membership set forth in Rule 2 and in this Rule, including whether it is subject to any of the criteria set forth in subsection (d) of Section 3 of Rule 2A. Notification must take place within two **B**usiness **D**ays from the date on which the Member first learns of its non-compliance. The Corporation shall assess a fine against any Member who fails to so notify the Corporation. In addition, a Member shall notify the Corporation within two **B**usiness **D**ays of learning **that of** an investigation or proceeding to which it is or is becoming **the** subject **of that** would cause the Member to fall out of compliance with any of the relevant qualifications and standards for membership set forth in Rules 2, 2A and 3. Notwithstanding the previous sentence, the Member shall not be required to notify the Corporation if doing so would cause the Member to violate an applicable law, rule or regulation. If, with respect to any type of Member: (a) it fails to maintain the relevant standards and qualifications for admission to membership, including but not limited to minimum capital standards and operational testing and related reporting requirements imposed by the Corporation from time to time; (b) it violates any Rule of the Corporation or other agreement with the Corporation; (c) it fails to satisfy in a timely manner any obligation to the Corporation; (d) there is **a** Reportable Event relating to such Member; or (e) the Corporation otherwise deems it necessary or advisable, in order to protect the Corporation, its other Members, or its creditors or investors, to safeguard securities and funds in the custody or control of the Corporation **or for which the Corporation is responsible**, or to promote the prompt and accurate processing, clearance or settlement of securities transactions, the Corporation will undertake appropriate action to determine the status of the Member and its continued eligibility. In addition, the Corporation may review the financial responsibility and operational capability of the Member to the extent provided in these Rules and otherwise require from the Member additional reporting of its financial or operational condition at such intervals and in such detail as the Corporation shall determine, **including, but not limited to, such information as the Corporation may request regarding the businesses and operations of the Member and its risk management practices with respect to services of the Corporation utilized by the Member for another Person or Persons**, and shall make a determination as to whether such Member should be placed on the Watch List **and/or be subject to enhanced surveillance** by the Corporation consistent with the provisions of Section 12 of this Rule.

Section 12 – Ongoing Monitoring ~~Watch List~~

(a) **All Netting Members, Sponsoring Members and Funds-Only Settling Bank Members will be monitored and reviewed by the Corporation on an ongoing and periodic basis, which may include monitoring of news and market developments and review of financial reports and other public information.**

(b) (i) A Member that is (A) a Bank Netting Member that files the Consolidated Report of Condition and Income (“Call Report”), (B) a Dealer Netting Member, or Inter-Dealer Broker Netting Member that files the Financial and Operational Combined Uniform Single Report (“FOCUS Report”) or the equivalent with its regulator or (C) a Foreign Netting Member that is a bank or trust company and that has audited financial data that is publicly available will be ~~monitored and assigned~~ a credit rating by the Corporation in accordance with the Credit Risk Rating Matrix. ~~Such Member’s credit rating may be placed on the Watch List based on that Member’s rating as determined by the Credit Risk Rating Matrix.~~ will be reassessed each time the Member provides the Corporation with requested information pursuant to Section 7 of Rule 3, or as may be otherwise required under the Rules (including this Rule 3, Section 12). ~~Such Members may also be placed on the Watch List, at the Corporation’s discretion, based on failure to comply with operational standards and requirements.~~

(ii) Because the factors used as part of the Credit Risk Rating Matrix may not identify all risks that a Member specified in paragraph (b)(i) of this Section 12 may present to the Corporation, the Corporation may, in its discretion, override such Member’s credit rating derived from the Credit Risk Rating Matrix to downgrade the Member. This downgrading may result in the Member being placed on the Watch List, and/or it may subject the Member to enhanced surveillance based on relevant factors, including those set forth in paragraph (d) below. The Corporation may also take such additional actions with regard to the Member as are permitted by the Rules.

~~(cb) All other categories of Netting Members Sponsoring Members, Funds-Only Settling Bank Members and Netting Members other than those specified in paragraph (b)(i) of this Section 12 will not be assigned a credit rating by the Credit Risk Rating Matrix but, including Foreign Netting Members and Bank Netting Members participating through their U.S. branches or agencies, may be placed on the Watch List and/or may be subject to enhanced surveillance based on relevant factors, including those set forth in paragraph (d) below, monitored for financial and/or operational factors as the Corporation deems necessary to protect the Corporation and its Members from undue risk. These Members will not be assigned a rating from the Credit Risk Rating Matrix; however, they may be included on the Watch List at the Corporation’s discretion.~~

(d) The factors to be considered by the Corporation under paragraphs (b)(ii) and (c) of this Section 12 include, but are not limited to, (i) news reports and/or regulatory observations that raise reasonable concerns relating to the member, (ii) reasonable concerns around the member’s liquidity arrangements, (iii) material changes to the member’s organizational structure, (iv) reasonable concerns of the Corporation about the member’s financial stability due to particular facts and circumstances, such as material litigation or other legal and/or regulatory risks, (v) failure of the member to demonstrate satisfactory financial condition or operational capability or if the Corporation has a

reasonable concern regarding the member's ability to maintain applicable membership standards and (vi) failure of the member to provide information required by the Corporation to assess risk exposure posed by the member's activity (including information requested by the Corporation pursuant to Section 7 of this Rule 3).

(~~ee~~) The Corporation may require a Netting Member that has been placed on the Watch List, to make and maintain a deposit to the Clearing Fund over and above the amount determined in accordance with Section 2 of Rule 4 (which additional deposit shall constitute a portion of the Netting Member's Required Fund Deposit), or such higher amount as the Board may deem necessary for the protection of the Corporation or other Members, which higher amount may include, but is not limited to ~~including~~, additional payments or deposits in any form to offset potential risk to the Corporation and its Members arising from activity submitted by such Member. **The Corporation may also retain any Excess Clearing Fund Deposits of a Netting Member that has been placed on the Watch List as provided in Section 9 of Rule 4.** Moreover, as regards a Netting Member that has been placed on the Watch List by the Corporation, the Corporation may suspend, during all or a portion of the time period that such Member is on the Watch List, its right under these Rules to collect a Credit Forward Mark Adjustment Payment. Moreover, if a Netting Member on the Watch List has a Collateral Allocation Entitlement as the result of its GCF Repo Transaction activity, the Corporation may, in its sole discretion, maintain possession of the securities and/or cash that comprise such Collateral Allocation Entitlement.

(~~fd~~) **A member being subject to enhanced surveillance or being placed Placement on the Watch List shall result in a more thorough monitoring of the Mmember's financial condition and/or operational capability-condition, as applicable, which could include, for example, on-site visits or additional due diligence information requests-and activities-by from the Corporation. In addition, Tthe Corporation may require a Mmembers placed on the Watch List and/or subject to enhanced surveillance to make more frequent financial disclosures, possibly-including, without limitation, interim and/or pro forma reports. Members that are subject to enhanced surveillance are also reported to the Corporation's management committees and regularly reviewed by a cross-functional team comprised of senior management of the Corporation. The Corporation may also take such additional actions with regard to any member (including a member placed on the Watch List and/or subject to enhanced surveillance) as are permitted by the Rules.**

~~(e) — The Corporation shall have the right to place a Member with an Excess Capital Ratio of 0.5 or greater on the Watch List if the Corporation, in its sole discretion, deems such action necessary to protect itself and its Members. If such placement on the Watch List occurs, the Corporation will require the Netting Member to provide it with comfort satisfactory to the Corporation that the Netting Member is and shall continue to be able to fulfill its obligations to the Corporation, and may obtain or exchange with any other Clearing Organization margin information as specified in Rule 29.~~

~~(f) — A Netting Member shall be placed on the Watch List if the Corporation takes any action against such Member pursuant to Section 7 of Rule 3.—~~

~~A Member shall continue to be included on the Watch List until the condition(s) that resulted in its placement on the Watch List have improved to the point where the condition(s) are no longer present or a determination is made by the Corporation that close monitoring is no longer warranted.~~

RULE 5 - COMPARISON SYSTEM

Section 1 - General

Trade comparison, which consists of the reporting, validating, and, in some cases, matching by the Corporation of the long and short sides of a securities trade, including a Repo Transaction, to ensure that the details of such trade are in agreement between the parties, is the first step in the clearance and settlement process for securities transactions. A Member of the Comparison System must submit to the Corporation for comparison trade data on all of its trades that are of the type processed by the Corporation (including trades executed and settled on the same day), calling for delivery of Eligible Securities, between it or an Executing Firm on whose behalf it is acting, and another Member or an Executing Firm on whose behalf it or another Member is acting. If the Corporation determines that a Comparison-Only Member has, without good cause, violated its obligations pursuant to this section, such Comparison-Only Member may be reported to the appropriate regulatory body, put on the Watch List **and/or be subject to enhanced surveillance** pursuant to Rule 3, or subject to an additional fee. In addition, the Corporation may discipline a Comparison-Only Member for a violation of this section in accordance with Rule 48.

RULE 11 - NETTING SYSTEM

Section 3 - Obligation to Submit Trades

If the Corporation determines that a Netting Member has, without good cause, violated its obligations pursuant to this Section, such Netting Member may be reported to the appropriate regulatory body, put on the Watch List **and/or be subject to enhanced surveillance** pursuant to Rule **43**, or subject to an additional fee. In addition, the Corporation may discipline a Netting Member for a violation of this section in accordance with Rule 48.

RULE 18 - SPECIAL PROVISIONS FOR REPO TRANSACTIONS

Section 2 - Obligation to Submit Repo Transactions

If the Corporation determines that a Netting Member has, without good cause, violated its obligations pursuant to this section, such Netting Member may be reported to the appropriate regulatory body, put on the Watch List **and/or be subject to enhanced surveillance** pursuant to Rule 3, or subject to an additional fee. In addition, the Corporation may discipline a Netting Member for a violation of this section in accordance with Rule 48.

FIXED INCOME CLEARING CORPORATION

MORTGAGE-BACKED SECURITIES DIVISION

CLEARING RULES

RULE 1 - DEFINITIONS

Credit Risk Rating Matrix

The term “Credit Risk Rating Matrix” ~~refers to~~ means a matrix of credit ratings of Members specified in Section 11 of Rule 3. The matrix is developed by the Corporation to ~~rate a Member’s~~ evaluate the credit potential-risk ~~such Members pose~~ to the Corporation and its Members and is based on factors determined to be relevant by the Corporation from time to time, which factors are designed to collectively reflect the ~~Member’s~~ financial and operational condition of a Member. These factors include (i) quantitative factors, such as capital, assets, earnings, and liquidity, and (ii) qualitative factors, such as management quality, market position/environment, and capital and liquidity risk management, ~~as determined by financial information required to be submitted by that Member and other relevant information.~~

Watch List

The term “Watch List” ~~refers to~~ means, at any time and from time to time, the list of Members whose credit ratings derived from the Credit Risk Rating Matrix are 5, 6 or 7, as well as Members that, based on the Corporation’s consideration of relevant factors, including those set forth in Section 11(d) of Rule 3, are deemed by the Corporation to pose a heightened risk to the Corporation and its Members being ~~more closely monitored by the Corporation for any reason deemed necessary by the Corporation.~~

RULE 3 - ONGOING MEMBERSHIP REQUIREMENTS

Section 6 - General Continuance Standards

A Member shall promptly inform the Corporation, both orally and in writing, if it no longer is in compliance with any of the relevant qualifications and standards for admission to membership set forth in Rule 2A and in this Rule, including whether it is subject to any of the criteria set forth in subsection (d) of Section 2 of Rule 2A. Notification must take place within two business days from the date on which the Member first learns of its non-compliance. The Corporation may assess a fine against any Member who fails to so notify the Corporation. In addition, a Member 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 Member to fall out of compliance with any of the relevant qualifications and standards for membership set forth in Rule 2A and this Rule. Notwithstanding the previous sentence, the Member shall not be required to notify the Corporation if doing so would cause the Member to violate an applicable law, rule or regulation. If, with respect to any type of Member: (a) it fails to maintain the relevant standards and qualifications for admission to membership, including but not limited to minimum capital standards and operational testing and related reporting requirements imposed by the Corporation from time to time; (b) it violates any Rule of the Corporation or other agreement with the Corporation; (c) it fails to satisfy in a timely manner any obligation to the Corporation; (d) there is a Reportable Event relating to such Member; or (e) the Corporation 40 otherwise deems it necessary or advisable, in order to protect the Corporation, its other Members, 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 appropriate action to determine the status of the Member and its continued eligibility. In addition, the Corporation may review the financial responsibility and operational capability of the Member to the extent provided in these Rules and otherwise require from the Member additional reporting of its financial or operational condition at such intervals and in such detail as the Corporation shall determine, **including, but not limited to, such information as the Corporation may request regarding the businesses and operations of the Member and its risk management practices with respect to services of the Corporation utilized by the Member for another Person or Persons**, and shall make a determination as to whether such Member should be placed on the Watch List **and/or be subject to enhanced surveillance** by the Corporation consistent with the provisions of Section 11 of this Rule. The Corporation may also, in its sole discretion, if it believes it necessary to protect itself and its Members, require a Member to deliver to the Corporation a guaranty of an Affiliate of the Member, satisfactory in form and substance to the Corporation, of the obligations of the Member to the Corporation.

Section 11 – Ongoing Monitoring Watch List

(a) All Members will be monitored and reviewed by the Corporation on an ongoing and periodic basis, which may include monitoring of news and market developments and review of financial reports and other public information.

(b) (i) A ~~Clearing~~ Member that is (A) a ~~domestic bank, broker-dealer or Unregistered Investment Pool Bank~~ Clearing Member that files the Consolidated Report of Condition and Income (“Call Report”), (B) a Dealer Clearing Member or Inter-Dealer Broker Clearing Member that files the Financial and Operational Combined Uniform Single Report (“FOCUS Report”) or the equivalent with its regulator or (C) a Bank Clearing Member that is a Foreign Person and that has audited financial data that is publicly available will be ~~monitored and assigned~~ a credit rating by the Corporation in accordance with the Credit Risk Rating Matrix. Such Member’s credit rating will be reassessed each time the Member provides the Corporation with requested information pursuant to Section 6 of Rule 3, or as may be otherwise required under the Rules (including this Rule 3, Section 11). ~~may be placed on the Watch List based on that Member’s rating as determined by the Credit Risk Rating Matrix. Such Members may also be placed on the Watch List, at the Corporation’s discretion, based on failure to comply with operational standards and requirements.~~

(ii) Because the factors used as part of the Credit Risk Rating Matrix may not identify all risks that a Member specified in paragraph (b)(i) of this Section 11 may present to the Corporation, the Corporation may, in its discretion, override such Member’s credit rating derived from the Credit Risk Rating Matrix to downgrade the Member. This downgrading may result in the Member being placed on the Watch List, and/or it may subject the Member to enhanced surveillance based on relevant factors, including those set forth in paragraph (d) below. The Corporation may also take such additional actions with regard to the Member as are permitted by the Rules.

(c) ~~All other categories of~~ Members other than those specified in paragraph (b)(i) of this Section 11 will not be assigned a credit rating by the Credit Risk Rating Matrix but may be placed on the Watch List and/or they may be subject to enhanced surveillance based on relevant factors, including those set forth in paragraph (d) below, ~~monitored for financial and/or operational factors~~ as the Corporation deems necessary to protect the Corporation and its Members ~~from undue risk. These Members will not be assigned a rating from the Credit Risk Rating Matrix; however, they may be included on the Watch List at the Corporation’s discretion.~~

(d) The factors to be considered by the Corporation under paragraphs (b)(ii) and (c) of this Section 11 include, but are not limited to, (i) news reports and/or regulatory

observations that raise reasonable concerns relating to the Member, (ii) reasonable concerns around the Member's liquidity arrangements, (iii) material changes to the Member's organizational structure, (iv) reasonable concerns of the Corporation about the Member's financial stability due to particular facts and circumstances, such as material litigation or other legal and/or regulatory risks, (v) failure of the Member to demonstrate satisfactory financial condition or operational capability or if the Corporation has a reasonable concern regarding the Member's ability to maintain applicable membership standards and (vi) failure of the Member to provide information required by the Corporation to assess risk exposure posed by the Member's activity (including information requested by the Corporation pursuant to Section 6 of this Rule 3).

(~~ee~~) The Corporation may require a Clearing Member that has been placed on the Watch List, to make and maintain a deposit to the Clearing Fund over and above the amount determined in accordance with Section 2 of Rule 4 (which additional deposit shall constitute a portion of the Clearing Member's Required Fund Deposit), or such higher amount as the Board may deem necessary for the protection of the Corporation or other Members, which higher amount may include, but is not limited to ~~including~~, additional payments or deposits in any form to offset potential risk to the Corporation and its Members arising from activity submitted by such Member. The Corporation may also retain any Excess Clearing Fund Deposits of a Clearing Member that has been placed on the Watch List as provided in Section 9 of Rule 4~~The Corporation may also deny a Member's right to withdraw amounts the Member has in excess of its Required Fund Deposit.~~

(~~fd~~) A Member being subject to enhanced surveillance or being placed~~Placement~~ on the Watch List shall result in a more thorough monitoring of the Member's financial condition and/or operational capability, condition, as applicable, and activities by which could include, for example, on-site visits or additional due diligence information requests from the Corporation. In addition, T~~the~~ Corporation may require a Members placed on the Watch List and/or subject to enhanced surveillance to make more frequent financial disclosures, ~~possibly~~including, without limitation, interim and/or pro forma reports. Members that are subject to enhanced surveillance are also reported to the Corporation's management committees and regularly reviewed by a cross-functional team comprised of senior management of the Corporation. The Corporation may also take such additional actions with regard to any Member (including a Member placed on the Watch List and/or subject to enhanced surveillance) as are permitted by the Rules.

(~~e~~) ~~— The Corporation shall have the right to place a Member with an Excess Capital Ratio of 0.5 or greater on the Watch List if the Corporation, in its sole discretion, deems such action necessary to protect itself and its Members. If such placement on the Watch List occurs, the Corporation will require the Clearing Member to provide it with assurances satisfactory to the Corporation that the Clearing Member is and shall continue to be able to fulfill its obligations to the Corporation, and may obtain from or exchange with any other Clearing Organization margin information as specified in Rule 22, "Release of Clearing Data."~~

~~(f) — A Clearing Member shall be placed on the Watch List if the Corporation takes any action to seek additional assurances of financial responsibility or operational capability against such Member pursuant to Section 6 of this Rule.~~

~~A Clearing Member shall continue to be included on the Watch List until the condition(s) that resulted in its placement on the Watch List have improved to the point where the condition(s) are no longer present or a determination is made by the Corporation that close monitoring is no longer warranted.~~
