RULE 1 – DEFINITIONS

Unless the context requires otherwise, the terms defined in this Rule shall, for all purposes of these Rules, have the meanings herein specified.

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Treasury Department

The term "Treasury Department" means the United States Department of the Treasury.

UMBS

The term “UMBS” means a single-class mortgage-backed security backed by fixed-rate mortgage loans on one to four unit (single-family) properties issued by either Fannie Mae or Freddie Mac which has the same characteristics (such as payment delay, pooling prefixes and minimum pool submission amounts) regardless of whether Fannie Mae or Freddie Mac is the issuer.

Unadjusted GSD Margin Portfolio Amount

The term “Unadjusted GSD Margin Portfolio Amount” means, with respect to each Margin Portfolio, the amount greater than zero determined by the Corporation in accordance with the provisions of Rule 4.

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RULE 3B – CENTRALLY CLEARED INSTITUTIONAL TRIPARTY SERVICE

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Section 14 – Liquidity Requirements of CCIT Members

(a) In order to finance the Corporation’s obligations in respect of certain Deliver Obligations in connection with CCIT Transactions in accordance with subsection (b) of this Section 14, the SIFMA MRA (without the referenced annexes) is hereby incorporated by reference in the Rules as a master repurchase agreement between the Corporation, as Seller, and each CCIT Member, as Buyer (the “CCIT MRA”); provided that, notwithstanding anything else set forth in the CCIT MRA:

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(xii) the Pricing Rate (as defined in the CCIT MRA) in respect of each Transaction shall be the rate published on the Corporation’s website at the time the Corporation initiates such Transaction, corresponding to: (A) U.S. Treasury < 30-year maturity (CUSIP: 371487AE9) if the Purchased Securities under such Transaction are U.S. Treasury bills, notes or bonds, (B) Non-Mortgage Backed U.S. Agency Securities (CUSIP: 371487AH2) if the Purchased Securities under such Transaction are non-mortgage-backed U.S. agency securities or (C) Fannie Mae, and Freddie Mac, and UMBS Fixed Rate MBS (CUSIP: 371487AL3) if the Purchased Securities under such Transaction are mortgage-backed securities, or if the relevant foregoing rate is unavailable, a rate that the Corporation reasonably determines approximates the average daily interest rate paid by a seller of the Purchased Securities under a cleared repurchase transaction.

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SCHEDULE OF HAIRCUTS
FOR ELIGIBLE CLEARING FUND SECURITIES

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Remaining Maturity</th>
<th>Haircut</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. MBS Pass-Throughs*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ginnie Mae</td>
<td>7.0%</td>
<td></td>
</tr>
<tr>
<td>Fannie Mae/Freddie Mac/UMBS</td>
<td>7.0%</td>
<td></td>
</tr>
<tr>
<td>4. Self-issued MBS**</td>
<td></td>
<td>14% (or 21% if 25% concentration limit is exceeded).</td>
</tr>
</tbody>
</table>

* Any deposits of Eligible Clearing Fund Agency Securities or Eligible Clearing Fund Mortgage-Backed Securities in excess of 25 percent of a Member’s Required Fund deposit will be subject to a haircut that is twice the amount of the percentage noted in the haircut schedule. Eligibility requirements will be announced by the Corporation from time to time.

** A Member may deposit Eligible Clearing Fund Mortgage-Backed Securities of which it is the issuer, however such securities will be subject to a premium haircut. This haircut shall be 14% as an initial matter. If a Member also exceeds the 25% concentration limit, the haircut shall be 21%.
FIXED INCOME CLEARING CORPORATION
MORTGAGE-BACKED SECURITIES DIVISION
CLEARING RULES
RULE 1 – DEFINITIONS

Unless the context requires otherwise, the terms defined in this Rule shall, for all purposes of these Rules, have the meanings herein specified.

***

Transaction

The term “Transaction” means a trade that is eligible for processing by the Corporation in accordance with these Rules.

UMBS

The term “UMBS” means a single-class mortgage-backed security backed by fixed-rate mortgage loans on one to four unit (single-family) properties issued by either Fannie Mae or Freddie Mac which has the same characteristics (such as payment delay, pooling prefixes and minimum pool submission amounts) regardless of whether Fannie Mae or Freddie Mac is the issuer.

Unmatched Margin Report

The term “Unmatched Margin Report” means the Report furnished by the Corporation to Dealers listing Transactions involving Brokers that have the uncom pared side of a partially matched trade and that will be included in the calculation of the Dealer’s Required Fund Deposit.

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Mortgage-Backed Securities Division

Schedule of Haircuts for Eligible Clearing Fund Securities

<table>
<thead>
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<th>Security Type</th>
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4. Self-issued MBS**          | 14% (or 21% if 25% concentration limit is exceeded).

* Any deposits of Eligible Clearing Fund Agency Securities or Eligible Clearing Fund Mortgage-Backed Securities in excess of 25 percent of a Clearing Member’s required Clearing Fund deposit will be subject to a haircut that is twice the amount of the percentage noted in the haircut schedule. Eligibility requirements will be announced by the Corporation from time to time.

** A Clearing Member may deposit Eligible Clearing Fund Mortgage-Backed Securities of which it is the issuer, however such securities will be subject to a premium haircut. This haircut shall be 14% as an initial matter. If a Clearing Member also exceeds the 25% concentration limit, the haircut shall be 21%.

* * * *
Methodology Document

GSD Initial Market Risk Margin Model

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PAGE REDACTED IN ITS ENTIRETY