

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: DS# 908 ; MS# 37
Date: February 24, 2010
To: Distribution
From: Deriv/SERV Product Management
Subject: DTCC Deriv/SERV to Implement ABS Auto Expiry Processing on February 25th, 2010

On the evening of Thursday, February 25th, 2010, the DTCC Deriv/SERV Trade Information Warehouse (the "Warehouse") will implement code to automatically expire RMBS and CMBS trades from the Warehouse.

The Warehouse will produce the ABS 7 Day Reimbursement Expiry Projection Report for all trades that have the Reimbursement Expiry Date in the next 5 Business Days. The report includes both "Gold Calc" and "Gold No Calc" (GNC) trades. GNC trades will not be "Auto Exited" and removed from the report after the expiry date has passed. On "Expiry Date", for each ABS (gold calc) trade, an "Auto Exit" transaction is processed removing that trade from the report.

As per the ABS CDS Supplement, Deriv/SERV may provide from time to time, by Important Notice or in Applicable Publications, that such automatic exit of transactions shall not apply to one or more categories of Covered ABS Single Name Warehouse Transactions. At this time, automatic exit will not be available for (i) those transactions with PIK interest due under the Reference Obligation that will have a five day Expiry Grace Period and (ii) those transactions that are assigned and have a Post Trade Effective Date (or Novation Date) that is after the Effective Maturity Date and before the "Reimbursement Expiry Date" (generally defined as last day that the transaction is eligible for any Writedown, Implied Writedown, Principal Shortfall or Interest Shortfall Reimbursement payments). Please reference the ABS CDS Payment And Calculation Supplement ("ABS CDS Supplement") to the Operating Procedures for more details.

These enhancements will be migrated into production on Thursday, February 25th, 2010. Please mark your calendars, as these Warehouse enhancements will cause MarkitSERV DSMatch for Credit Products to be unavailable for 1 hour (7:00 PM - 8:00 PM).

Any questions or comments regarding this release, Deriv/SERV or MarkitSERV in general should be directed to your client account manager.

Non-Confidential

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