

MBS #:	MBS523-18
Date:	February 23, 2018
To:	Mortgage-Backed Securities Division Clearing Members
Category:	Service Update
Subject:	Capped Contingency Liquidity Facility Test–April 23, 2018

Capped Contingency Liquidity Facility (“CCLF®”) was introduced in 2011(1) and remains an integral part of the Mortgage-Backed Securities Division’s (“MBSD”) role as central counterparty. On an annual basis, MBSD conducts a CCLF® test with all Clearing Members in an effort to assess each Member’s understanding of CCLF® from an operational perspective and increase awareness of the potential capital commitment should the CCLF® be invoked.

On April 23, 2018, MBSD will conduct this test. The components of the test are as follow:

- On the opening of business - Monday, April 23, 2018, all Clearing Members will receive a test “CCLF® Activity Report” (via the Liquidity folder in Report Center) reflecting all delivery pool obligations that such Member has versus MBSD which in turn are bound to the defaulting member (please note that the Report Center date for this report will be Saturday, April 21, 2018). Instructions for accessing the report is on page three of this notice.

-During prior CCLF® tests, all Clearing Members supplied their Relationship Manager with at least two individuals who would support that test. All Members must confirm these contacts as well as ensure they have access to Report Center. Please contact your Relationship Manager if there are any changes to those contacts for the upcoming April 2018 test.

-As part of this test, MBSD will select a Clearing Member who will serve as the defaulting member but will not disclose the identity of such Member.

-Upon receipt of the test “CCLF® Activity Report”, Clearing Members will identify the pools that they have available to deliver to FICC based on pool positions as of the start of day and return the completed test “CCLF® Activity Report” to MBS Operations (MBSallocations@dtcc.com) by 1:00p.m. (E.T.) on Monday, April 23, 2018.

(1) See Important Notice #MBS067.11 dated May 2, 2011.

It is important to note that responses from all Clearing Members will be required for this test.

PLEASE NOTE THAT CLEARING MEMBERS SHOULD NOT WITHHOLD ANY POOL DELIVERIES TO FICC ON MONDAY, APRIL 23, 2018

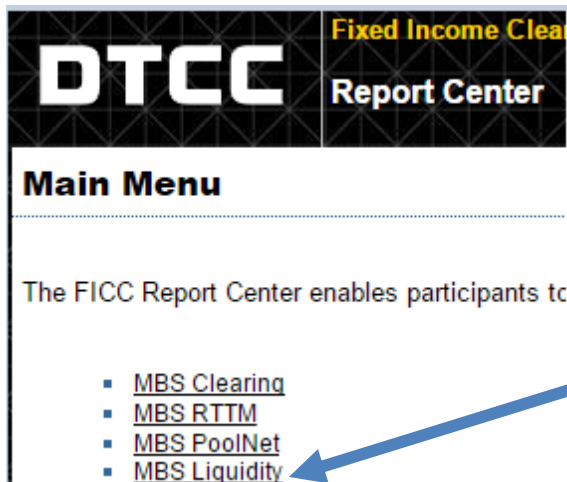
Please contact your relationship manager with any questions.

Obtaining CCLF Test Report on Report Center

1) Access Report Center on RTTM Web:



2) Access the “MBS Liquidity” Folder:



3) Change the date to 04/21/2018 for the April 2018 test and click “Retrieve”:

