

**Bold and underlined text** indicates proposed added language

~~**Bold and strike through text**~~ indicates proposed deleted language

**MORTGAGE-BACKED SECURITIES DIVISION**

**CLEARING RULES**

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**FICC MORTGAGE-BACKED SECURITIES DIVISION  
SCHEDULE OF CHARGES BROKER ACCOUNT GROUP**

*[Changes to this Schedule of Charges, as amended by File No. SR-FICC-2018-012, are available at [dtcc.com/~media/Files/Downloads/legal/rule-filings/2018/FICC/SR-FICC-2018-012.pdf](http://dtcc.com/~media/Files/Downloads/legal/rule-filings/2018/FICC/SR-FICC-2018-012.pdf). These changes became effective upon filing with the SEC but have not yet been implemented. On January 1, 2019, these changes will be implemented and this legend will automatically be removed from this Schedule of Charges.]*

**I. FEES**

**Important Note:** It is the MBSD's policy to retain only those revenues necessary to fund current costs, enhancements and on-going development work for the benefit of its members and appropriate retained earnings as directed by the FICC Board of Directors.

As such, the FICC Board may determine to apply periodic discounts or surcharges to certain MBSD fees consistent with the financial performance of the MBSD.

**Account Maintenance**

Primary/Secondary Account	\$ 50/Mo./each
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**Aggregate Maintenance**

Single Aggregate	No Charge
Each Additional Aggregate	\$ 35/Mo./each

## Communication Fees

Failure to migrate from legacy networks to SMART and/or SFTI	Cost*
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\* The entire cost of supporting the legacy network connections will be allocated among remaining users pro rata.

## Trade Processing<sup>1</sup>

Trade Creates	\$ .20/side
Unmatched Trade Deletes	\$ 1.00/side
Trade Cancels	\$ 1.00/side
Change Terms	\$ 1.00/side
DK and Modify	No Charge

## Processing Fees

Trade Input Non-Compliance	\$1,000/month/Account
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## ~~Surcharge for Submission Method (Effective April 1, 2006)~~

~~At the end of a month, and with respect to each Participant account, a Participant that submits any trade data to the Corporation during that month using a single batch or multi batch method shall be subject to a surcharge as follows:~~

- ~~(a) Single batch submitters shall be subject to a 50 percent surcharge (with a minimum of \$500) on their post discount trade recording fees as recorded on their monthly bill, and~~
- ~~(b) Multi batch submitters shall be subject to a 20 percent surcharge (with a minimum of \$500) on their post discount trade recording fees as recorded on their monthly bill.~~

~~The MBSD will reserve the right to waive the surcharges for a particular Participant if it determines that the Participant's classification as a single or multi batch user in a particular month is due to a non recurring system or operational problem. Surcharge revenues will be paid through to individual interactive messaging and terminal service submitters pro rata, based upon such submitters' ratio of trade recording fees to system wide trade recording fees.~~

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<sup>1</sup> Trades which are matched and canceled within the same processing pass are exempt from Trade Processing fees .

### Clearing Fund Maintenance Fee

On a monthly basis, the Clearing Member shall be charged, in arrears, a fee calculated as the product of 0.25% and the average of each Clearing Member's cash deposit balance in the Clearing Fund, as of the end of each day, for the month, multiplied by the number of days for that month and divided by 360; provided that, the investment rate of return on investment of the cash deposit balance in the Clearing Fund for that month is either equal to or greater than 0.25%. No fee will be charged for any month in which the monthly rate of return on investment of the cash deposit balance in the Clearing Fund is less than 0.25%.

**Broker Commission Collection/Audit Trail**                      No Charge

In addition to the above, FICC may also bill Participants for, and include on the Participants' billing statements, fees and charges which may be imposed on such Participants by third parties such as: (a) other subsidiaries of The Depository Trust & Clearing Corporation; (b) self-regulatory organizations and other securities industry organizations or entities of which such Participant is a member, where such third party has represented to FICC that it has an agreement with the Participant allowing the Participant's payment of such fees and charges; and (c) other organizations and entities which provide services or equipment to Participants which are integral to services provided by FICC. Any amounts so collected will be remitted to the entity imposing such fee or charge.

Such fees and charges may include those of companies that identify themselves as being an affiliate of the Participant. Participants should check their billing statements, which shall reflect all such charges, and report any problems to FICC immediately.

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### FICC MORTGAGE-BACKED SECURITIES DIVISION SCHEDULE OF CHARGES DEALER ACCOUNT GROUP

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#### I. FEES

**Important Note:** It is the MBSD's policy to retain only those revenues necessary to fund current costs, enhancements and on-going development work for the benefit of its members and appropriate retained earnings as directed by the FICC Board of Directors.

As such, the FICC Board may determine to apply periodic discounts or surcharges to certain MBSD fees consistent with the financial performance of the MBSD.

**Account Maintenance**

Option Account	\$ 50/Mo./each
<del>Trade Assignment Account</del>	<del>\$ 50/Mo./each</del>

**Aggregate Maintenance**

Single Aggregate	No Charge
Each Additional Aggregate	\$ 35/Mo./each

**Communication Fees**

Failure to migrate from legacy networks to SMART and/or SFTI	Cost*
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\* The entire cost of supporting the legacy network connections will be allocated among remaining users pro rata.

**Trade Processing<sup>3</sup>**

SBO Destined Trades	Par Value Millions/Mo.
Trade Creates	
01 - 2,500,000,000	\$2.00/MM
2,500,000,001 - 7,500,000,000	\$1.58/MM
7,500,000,001 - 12,500,000,000	\$1.39/MM
12,500,000,001 - 300,000,000,000	\$1.19/MM
300,000,000,001 and over	\$1.16/MM
TBA Netting Balance Orders (SBON)	\$1.00/MM
Unmatched Trade Deletes	\$1.00/side
Trade Cancels	\$4.00/side
Trade Netting Converts	\$1.00/side
DK and Modify	No Charge

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<sup>3</sup> Trades which are matched and canceled within the same processing pass are exempt from Trade Processing fees.

**Trade-for-Trade Transactions, Specified Pool Trades, and Stipulated Trades**

Trade Creates	\$1.16/MM
Unmatched Trade Deletes	\$1.00/side
Trade Cancels	\$4.00/side
DK and Modify	No Charge

**Option Trades**

Trade Creates	\$1.00/MM
Unmatched Trade Deletes	\$1.00/side
Trade Cancels	\$4.00/side
DK and Modify	No Charge

**Do Not Allocate Process**

DNA Request	\$1.25/MM
DNA Request Cancel (per DNA request)	\$4.00

**Pool Netting Fees**

Matched Pool Instruct (per side)	\$1.00
CDR Pool Instruct Fee	\$0.20
Cancel of Matched Pool Instruct	\$0.40
Post Net Subs	\$0.20
MBSD Bank Allocation Fee	Calculated monthly based on MBSD bank clearance fees*

**BNY Daylight Overdraft Fees on Securities Settlement Obligations:**

For each Clearing Member at The Bank of New York Mellon (“BNY”), a pass-through fee will be charged, calculated as a percentage of the total of all such costs incurred by the Corporation. This percentage is calculated on a monthly basis as follows:

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\* The monthly fee will be calculated based on the bank fee allocated to MBSD divided by the number of compared Pool Instructs.

(Total dollar value of Pool Deliver Obligations and Pool Receive Obligations  
of such Clearing Member at BNY)

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(Total dollar value of Pool Deliver Obligations and Pool Receive Obligations  
in all Dealer Accounts at BNY)

**Financing Charges Associated with Pool Netting:**

For each other Pool Netting Member, a pass-through charge calculated on a percentage of the total of all such costs incurred by the Corporation, allocated by agency product, which percentage is calculated as follows:

Total dollar value of deliver and receive obligations of  
such Pool Netting Member in such agency product

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Total dollar value of deliver and receive obligations of  
all Pool Netting Members in such agency product

Notwithstanding the above, if, after providing to a Pool Netting Member appropriate notice and opportunity to be heard, the Corporation determines that such Pool Netting Member has, on a recurring basis and without good cause, caused the Corporation to incur financing costs, such Member will be obligated to pay for the entire amount of any financing costs incurred by the Corporation as the result of deliveries by such Member to the Corporation.

**Processing Fees**

Trade Input Non-Compliance                      \$1,000/month/Account

**~~Surcharge for Submission Method (Effective April 1, 2006)~~**

~~At the end of a month, and with respect to each Participant account, a Participant that submits any trade data to the Corporation during that month using a single batch or multi batch method shall be subject to a surcharge as follows:~~

- ~~(a) Single batch submitters shall be subject to a 50 percent surcharge (with a minimum of \$500) on their post discount trade recording fees as recorded on their monthly bill, and~~
- ~~(b) Multi batch submitters shall be subject to a 20 percent surcharge (with a minimum of \$500) on their post discount trade recording fees as recorded on their monthly bill.~~

~~The MBSD will reserve the right to waive the surcharges for a particular Participant if it determines that the Participant's classification as a single or multi batch user in a particular month is due to a non-recurring system or operational problem. Surcharge revenues will be paid through to individual interactive messaging and terminal service submitters pro-rata, based upon such submitters' ratio of trade recording fees to system-wide trade recording fees.~~

### **Clearing Fund Maintenance Fee**

On a monthly basis, the Clearing Member shall be charged a fee, in arrears, calculated as the product of 0.25% and the average of each Clearing Member's cash deposit balance in the Clearing Fund, as of the end of each day, for the month, multiplied by the number of days for that month and divided by 360; provided that, the investment rate of return on investment of the cash deposit balance in the Clearing Fund for that month is either equal to or greater than 0.25%. No fee will be charged for any month in which the monthly rate of return on investment of the cash deposit balance in the Clearing Fund is less than 0.25%.

### **Broker Commission Collection/Audit Trail**                      No Charge

In addition to the above, FICC may also bill Participants for, and include on the Participants' billing statements, fees and charges which may be imposed on such Participants by third parties such as: (a) other subsidiaries of The Depository Trust & Clearing Corporation; (b) self-regulatory organizations and other securities industry organizations or entities of which such Participant is a member, where such third party has represented to FICC that it has an agreement with the Participant allowing the Participant's payment of such fees and charges; and (c) other organizations and entities which provide services or equipment to Participants which are integral to services provided by FICC. Any amounts so collected will be remitted to the entity imposing such fee or charge.

Such fees and charges may include those of companies that identify themselves as being an affiliate of the Participant. Participants should check their billing statements, which shall reflect all such charges, and report any problems to FICC immediately.

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## MORTGAGE-BACKED SECURITIES DIVISION

### EPN RULES

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### EPN SCHEDULE OF CHARGES

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#### ACCOUNT MAINTENANCE FEES

Direct Account: \$1,000.00/month (per account)

#### Investment Manager Accounts<sup>1</sup>

1 Account	\$ 1,000.00/Mo./each
2 or 3 Accounts	\$ 530.00/Mo./each
4 through 7 Accounts	\$ 430.00/Mo./each
8 through 10 Accounts	\$ 370.00/Mo./each
Greater than 10 Accounts	\$ 340.00/Mo./each

#### COMMUNICATION FEES

Failure to migrate from legacy networks to SMART and/or SFTI. Cost\*

\* The entire cost of supporting the legacy network connections will be allocated among remaining users pro rata.

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<sup>1</sup> The Account Maintenance fee for a Participant or EPN User, as applicable, that uses a common investment manager to process trades with the MBSB is based on the total number of Accounts maintained by such Participant or EPN User, as applicable, with an investment manager.



MESSAGE PROCESSING FEES

ON Send:	\$0.19/million Current Face (Opening of Business to 1:00 p.m.)
	\$.95/million Current Face (1:00 p.m. to 2:00 p.m.)
	\$1.90/million Current Face (2:00 p.m. to 3:00 p.m.)
	\$1.58/million Current Face (3:00 p.m. to Close of Business)
ON Receive:	\$.51/million Current Face (Opening of Business to 1:00 p.m.)
	\$.26/million Current Face (1:00 p.m. to 2:00 p.m.)
	\$.26/million Current Face (2:00 p.m. to 3:00 p.m.)
	No Charge (3:00 p.m. to Close of Business)
DK Send or Receive:	No Charge
Cancel Send or Receive:	No Charge
Retransmission Request:	No Charge
Pool Substitution Cancel/Correct	
Cancel/Correct Send:	\$0.19/million Current Face (Open of Business up to 11:00 a.m.)
	\$0.95/million Current Face (11:00 a.m. up to 12:00 p.m.)
	\$1.90/million Current Face (12:00 p.m. up to 12:15 p.m.)
	\$0.19/million Current Face (12:15 p.m. to End of Day)
Cancel/Correct Receive:	No Charge
Cancel/Correct DK Send or Receive:	No Charge
Cancel/Correct Retransmission Request:	No Charge

**ADDITIONAL FEES FOR LATE PAYMENT OF EPN BILLS**

<b>Payable Cash Obligation</b>	<b>1st Occurrence*</b>	<b>2nd Occurrence</b>	<b>3rd Occurrence</b>	<b>4th Occurrence</b>
<b>\$50.00 – \$100,000.00</b>	<b>\$50.00</b>	<b>\$100.00</b>	<b>\$250.00</b>	<b>\$500.00</b>

~~\* The number of occurrences are calculated based on a rolling 90-day basis, with any one day on which a late payment is made counted as a separate occurrence, even if such participant incurred a late fee on the prior day. A Participant who fails to timely satisfy its Cash Obligations on more than four occasions within a rolling 90-day period will be subject to additional late fees for each such occurrence in an amount equal to the fee for the fourth occurrence up to twice the fee for the fourth occurrence determined at FICC's discretion depending on the magnitude and history of the Participant's late payments. FICC reserves the discretion to waive or reduce late fees when a particular occurrence is not deemed to be the fault of the Participant or the Participant has provided FICC with evidence that it is taking appropriate corrective action to prevent reoccurrence.~~

**THIRD PARTY FEES AND CHARGES**

FICC may also bill EPN Users for, and include on the EPN Users' billing statements, fees and charges which may be imposed on such EPN Users by third parties such as: (a) other subsidiaries of The Depository Trust Corporation; (b) self-regulatory organizations and other securities industry organizations or entities of which such EPN User is a member, where such third party has represented to the Corporation that it has an agreement with the EPN User allowing the EPN User's payment of such fees and charges; and (c) other organizations and entities which provide services or equipment to EPN Users which are integral to services provided by FICC. Any amounts so collected will be remitted to the entity imposing such fee or charge.

Such fees and charges may include those of companies that identify themselves as being an affiliate of the EPN User. EPN Users should check their billing statements, which shall reflect all such charges, and report any problems to FICC immediately.