

# Transaction Timelines

## Exchanging 45-Day Collateral

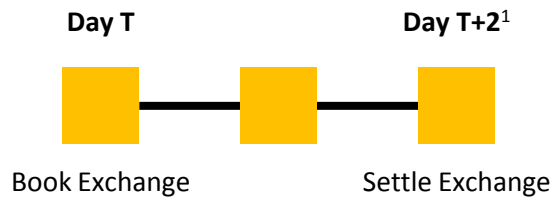


### Key Steps

- 1 Book Exchange (Day T)**
  - ▶ Specify 45-day collateral to be exchanged
  - ▶ Choose settlement date
- 2 Settle Exchange (Day T+2<sup>1</sup>)**
  - ▶ Deliver 45-day collateral by noon ET on settlement date
  - ▶ Take delivery of 55-day security

### Timing

**2 Business-Day Turnaround**



### June 2019 Example

Early Settlement					Late Settlement				
M	Tu	W	Th	F	M	Tu	W	Th	F
3	4	5	6	7	3	4	5	6	7
10	11	12	13	14	10	11	12	13	14
17	18	19	20	21	17	18	19	20	21
24	25	26	27	28	24	25	26	27	28

■ Book Exchange     
 ■ Settle Exchange     
 ■ Exchange Settlement Blackout

# Transaction Timelines

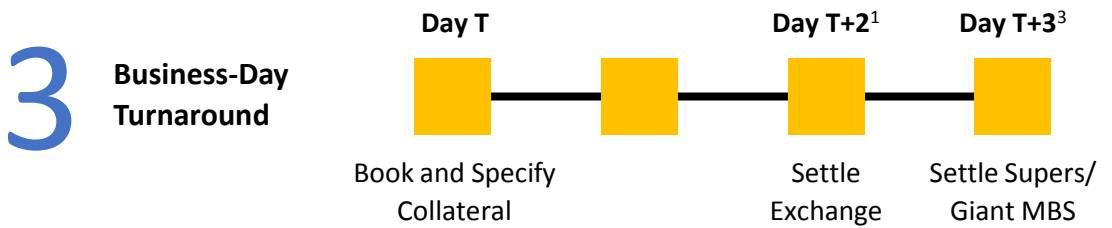
## Exchanging and Resecuritizing 45-Day Collateral



### Key Steps

- 1 Book Transactions (Day T)**
  - ▶ Set up exchange and Supers/Giant MBS transactions
  - ▶ Choose settlement dates
- 2 Specify Collateral (Day T or T+1)**
  - ▶ Specify collateral to be delivered for Supers or Giant MBS<sup>2</sup> at least two days prior to settlement
- 3 Settle Exchange (Day T+2<sup>1</sup>)**
  - ▶ Deliver 45-day collateral by noon ET on settlement date
  - ▶ Take delivery of 55-day security
- 4 Settle Supers/Giant MBS (Day T+3<sup>3</sup>)**
  - ▶ Deliver 55-day collateral by 11:00 a.m. ET on settlement date
  - ▶ Take delivery of Supers/Giant MBS

### Timing



### June 2019 Example

Early Settlement					Late Settlement				
M	Tu	W	Th	F	M	Tu	W	Th	F
3	4	5	6	7	3	4	5	6	7
10	11	12	13	14	10	11	12	13	14
17	18	19	20	21	17	18	19	20	21
24	25	26	27	28	24	25	26	27	28

- Book Exchange and Supers/Giant MBS
- Settle Exchange
- Settle Supers/Giant MBS
- Exchange Settlement Blackout
- All Settlements Blackout

# Transaction Timelines

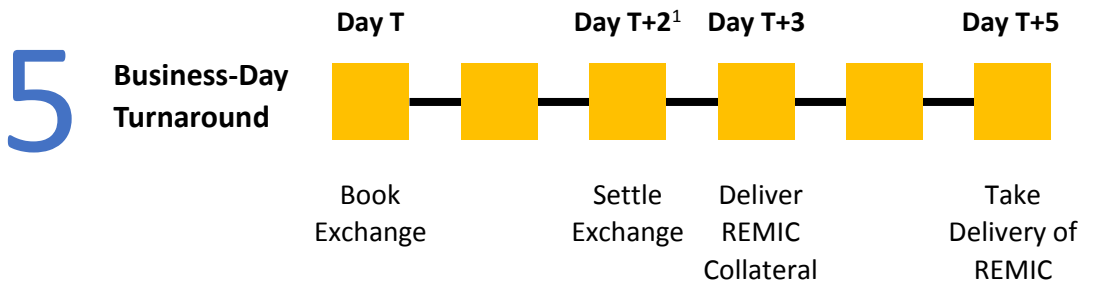
## Exchanging 45-Day Collateral and Creating a REMIC



### Key Steps

- 1 Book Exchange of REMIC Collateral (Day T)**
  - ▶ Specify 45-day collateral<sup>4</sup> to be exchanged
  - ▶ Choose exchange settlement date
- 2 Settle Exchange (Day T+2<sup>1</sup>)**
  - ▶ Deliver 45-day collateral by noon ET on exchange settlement date
  - ▶ Take delivery of 55-day security
- 3 Deliver REMIC Collateral (Day T+3)**
  - ▶ Deliver 55-day collateral on REMIC collateral delivery date

### Timing



### June 2019 Example

M	Tu	W	Th	F	
3	4	5	6	7	
10	11	12	13	14	
17	18	19	20	21	
24	25	26	27	28	

- Book Exchange
- Settle Exchange
- Deliver REMIC Collateral
- Take Delivery of REMIC
- Exchange Settlement Blackout

# Transaction Timelines

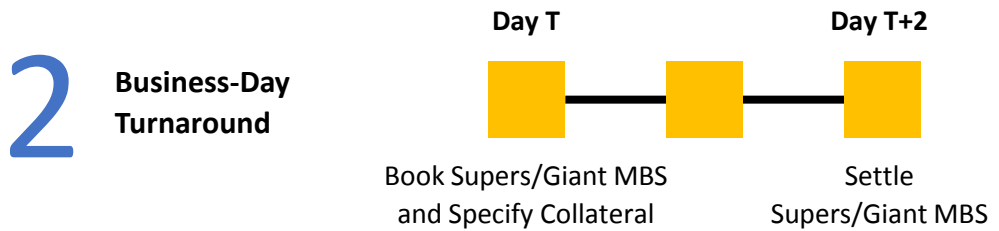
## Resecuritizing 55-Day Collateral (No Exchange)



### Key Steps

- 1 Book Supers/Giant MBS (Day T)**
  - ▶ Request Supers or Giant MBS from dealer or in Dealer Direct
  - ▶ Choose settlement date
- 2 Specify Collateral (Day T)**
  - ▶ At least two days prior to settlement, specify what collateral<sup>2</sup> will be delivered
- 3 Settle Supers/Giant MBS (Day T+2)**
  - ▶ Deliver Freddie and Fannie collateral by 11:00am ET on settlement date
  - ▶ Take delivery of Supers or Giant MBS

### Timing



### June 2019 Example

Early Settlement					Late Settlement				
M	Tu	W	Th	F	M	Tu	W	Th	F
3	4	5	6	7	3	4	5	6	7
10	11	12	13	14	10	11	12	13	14
17	18	19	20	21	17	18	19	20	21
24	25	26	27	28	24	25	26	27	28

■ Book Supers/Giant MBS    
 ■ Settle Supers/Giant MBS    
 ■ Supers/Giant MBS Settlement Blackout

# Notes

1	Exchanges will settle a minimum of T+2 for a period of 3-6 months starting on May 17, 2019, after which the minimum settlement time is expected to change to T+1.
2	Supers collateral can include commingled Fannie and Freddie TBA-eligible securities. Giant MBS collateral can include only Freddie non-TBA-eligible securities.
3	While it is possible to settle a Supers or Giant MBS on the same day that an exchange settles (both on T+2), this arrangement runs the risk of fails.
4	REMIC collateral can include commingled Fannie and Freddie TBA-eligible securities. Collateral for REMIC delivery can be specified through T+2 (the day before REMIC collateral delivery day).