

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-050

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 01/20/23 Filing Description: Amendments to the 30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures Contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0% 5.5% and 6.0% Coupon Rates)

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|-------------------------------------|---|----------------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: 30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures Contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0% 5.5% and 6.0% Coupon Rates)

Rule Numbers: CBOT Rulebook Chapter 75

January 20, 2023

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
 Office of the Secretariat
 Commodity Futures Trading Commission
 3 Lafayette Center
 1155 21st Street NW
 Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification. Amendments to the 30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures Contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0% 5.5% and 6.0% Coupon Rates). CBOT Submission No. 23-050

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the 30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0% 5.5% and 6.0% Coupon Rates) (the “Contracts”) effective on trade date Monday, February 6, 2023 and commencing with the May 2023 contract month and beyond.

Contract Title	CME Globex and CME ClearPort Code	Rulebook Chapter
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 2.0% Coupon	20U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 2.5% Coupon	25U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 3.0% Coupon	30U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 3.5% Coupon	35U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 4.0% Coupon	40U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 4.5% Coupon	45U	75

30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures – 5.0% Coupon	50U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 5.5% Coupon	55U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures – 6.0% Coupon	60U	75

Specifically, CBOT will amend Rule 75101.A. (“Contract Grade”), Rule 75102. (“Trading Specifications”), and Rule 75104. (“Deliveries on Expiring Futures Contracts”) Requirements for Participation in Delivery”) to: (a) allow physical delivery for all positions, not just those in 10 contract increments, and (b) bring forward expiration (final settlement), and delivery notice timing by two (2) hours on the last trading day. In addition, the Exchange is implementing administrative amendments to the Position Limit, Position Accountability and Reportable Level Table located in Chapter 5 (“Trading Qualifications and Practices”) (the “Table”) (collectively, the “Rule Amendments”). The Rule Amendments shall apply to all contract months and any additional coupon rates that have not yet been listed for trading and clearing.

Currently, the delivery timetable begins at 2:00 p.m. Central Prevailing Time (“CPT”). The changes to the delivery process are intended to enhance efficiency based on our observations during the initial physical delivery period.

Allowing all positions to go to delivery will improve certainty for market participants that expect and intend to go into delivery. The Rule Amendments are intended to provide futures commission merchants (“FCMs”) and market participants greater visibility when seeking to take positions into delivery.

Moving the settlement and delivery notice forward two (2) hours will enable market participants additional time to establish positions during regular market hours going into delivery. The revised timetable on the last trading day shall be as follows:

- Trading will cease at 12:00 p.m. CPT
- FCMs must submit intentions for delivery to the CME Clearing House by 2:00 p.m. CPT
- The CME Clearing House will provide delivery notices to FCMs

Appendix A below provides amendments to Chapter 75 effective on trade date February 6, 2023. Appendix B below provides amendments to Chapter 75 effective on trade date Friday, April 7, 2023, the date the May 2023 contract month shall become the front month. Appendix C and Appendix D (under separate cover) provide administrative amendments to the Table effective February 6, 2023 and April 7, 2023, respectively.

The Exchange reviewed the designated contracts market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Contract Not Readily Subject to Manipulation:** The Contracts shall remain not readily susceptible to manipulation as a result of the Rule Amendments. Specifically, the Rule Amendments are intended to enhance the convergence of the cash and futures markets.
- **Prevention of Market Disruption:** CBOT is implementing the changes for yet to be listed contract months. The Rule Amendments are intended to increase the certainty for customers wishing to participate in the delivery process and further reduce the possibility of market disruption.

- **Availability of General Information:** The Exchange will publish information on the Rule Amendments on its website. A Special Executive Report (“SER”) to market participants will be disseminated and posted on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchange certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-fillings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Amendments to CBOT Rulebook Chapter 75 (blackline format) (Effective February 6, 2023)
Appendix B: Amendments to CBOT Rulebook Chapter 75 (blackline format) (Effective April 7, 2023)
Appendix C: Amendments to the Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the CBOT Rulebook (attached under separate cover) (Effective February 6, 2023)
Appendix D: Amendments to the Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the CBOT Rulebook (attached under separate cover) (Effective April 7, 2023)

Appendix A
CBOT Rulebook
[Effective February 6, 2023]

(additions underscored; deletions ~~struck through~~)

Chapter 75
**30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced
(TBA) Futures**

75100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 30-Year UMBS TBA futures (“futures”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Unless otherwise specified, times referenced herein shall indicate Central Prevailing Time (“CPT”).

75101. CONTRACT SPECIFICATIONS

75101.A. Contract Grade

(ALL CONTRACT MONTHS UP TO AND INCLUDING THE APRIL 2023 CONTRACT MONTH)

The contract grade for delivery on futures made under these Rules shall be the Depository Trust & Clearing Corporation’s (DTCC) Fixed Income Clearing Corporation (FICC) Mortgage-Backed Securities Division (MBSD)-cleared 30-Year UMBS TBA contracts which have the following standards:

1. **Issuers:** Fannie Mae and Freddie Mac
2. **Mortgage Term:** 30-Year
3. **Deliverable Grade and Size:** \$100,000 face value of MBSD-cleared 30-Year UMBS TBA at a given coupon rate. Deliveries must be made in ten contract increments with combined deliveries of \$1,000,000 face value of MBSD-cleared 30-Year UMBS TBA at a given coupon rate.
4. **Qualification for Physical Delivery:** Ten (10) contract increments.
5. **Cash-Settlement:** Non-deliverable positions of less than ten (10) contracts will be cash-settled at expiration. Positions of ten (10) contract increments may be cash-settled if matched with positions of less than ten (10) contracts during the delivery process. Due to the commercial nature of this market and the requirement of \$1,000,000 face value for delivery, TBA Buyers and TBA Sellers holding long or short open positions in an expiring futures contract must use commercially reasonable efforts to maintain positions in increments of ten (10) contracts to match the “good-deliveries” threshold (CBOT Rule 75104.E) and to liquidate any position in an increment of less than ten (10) contracts prior to expiration.
6. **Fixed Rates:** For a given Delivery Month, futures are listed by the Exchange for delivery of specified active (current-production) mortgage coupon rates. Futures contract Fixed Rates set by the Exchange at integer multiple of fifty (50) basis points (i.e., one half of one percent) per annum when such futures contract is initially listed for trading.
7. **Mortgage Loan Criteria:** Must fulfill conforming 30-Year fixed-rate single-family TBA-eligible MBS pools.
8. **TBA Buyer:** Long futures in delivery. Expect to receive conforming agency MBS pools in exchange for fixed rate. Expect to take delivery of agency pass-through securities.
9. **TBA Seller:** Short futures in delivery. Expect to deliver conforming agency MBS pools in exchange for fixed rate. Expect to make delivery of agency pass-through securities.
10. **Last Trading Day (LTD):** Three (3) Exchange Business Days prior to SIFMA TBA Notification Date.
11. **Delivery Day:** Exchange Business Day immediately following LTD.
12. **Listed Delivery Months:** At least nearest three (3) calendar months at any given time

75101.A. Contract Grade

(ALL CONTRACT MONTHS COMMENCING WITH THE MAY 2023 CONTRACT MONTH)

The contract grade for delivery on futures made under these Rules shall be the Depository Trust & Clearing Corporation's (DTCC) Fixed Income Clearing Corporation (FICC) Mortgage-Backed Securities Division (MBS)-cleared 30-Year UMBS TBA contracts which have the following standards:

1. **Issuers:** Fannie Mae and Freddie Mac
2. **Mortgage Term:** 30-Year
3. **Deliverable Grade and Size:** \$100,000 face value of MBS-cleared 30-Year UMBS TBA at a given coupon rate. ~~Deliveries must be made in ten contract increments with combined deliveries of \$1,000,000 face value of MBS-cleared 30-Year UMBS TBA at a given coupon rate.~~
4. ~~**Qualification for Physical Delivery:** Ten (10) contract increments.~~
5. ~~**Cash Settlement:** Non-deliverable positions of less than ten (10) contracts will be cash-settled at expiration. Positions of ten (10) contract increments may be cash settled if matched with positions of less than ten (10) contracts during the delivery process. Due to the commercial nature of this market and the requirement of \$1,000,000 face value for delivery, TBA Buyers and TBA Sellers holding long or short open positions in an expiring futures contract must use commercially reasonable efforts to maintain positions in increments of ten (10) contracts to match the "good deliveries" threshold (CBOT Rule 75104.E) and to liquidate any position in an increment of less than ten (10) contracts prior to expiration.~~
- 4.6. **Fixed Rates:** For a given Delivery Month, futures are listed by the Exchange for delivery of specified active (current-production) mortgage coupon rates. Futures contract Fixed Rates set by the Exchange at integer multiple of fifty (50) basis points (i.e., one half of one percent) per annum when such futures contract is initially listed for trading.
- 5.7. **Mortgage Loan Criteria:** Must fulfill conforming 30-Year fixed-rate single-family TBA-eligible MBS pools.
- 6.8. **TBA Buyer:** Long futures in delivery. Expect to receive conforming agency MBS pools in exchange for fixed rate. Expect to take delivery of agency pass-through securities.
- 7.9. **TBA Seller:** Short futures in delivery. Expect to deliver conforming agency MBS pools in exchange for fixed rate. Expect to make delivery of agency pass-through securities.
- 8.40. **Last Trading Day (LTD):** Three (3) Exchange Business Days prior to SIFMA TBA Notification Date.
- 9.44. **Delivery Day:** Exchange Business Day immediately following LTD.
- 10.42. **Listed Delivery Months:** At least nearest three (3) calendar months at any given time

75102. TRADING SPECIFICATIONS

(ALL CONTRACT MONTHS UP TO AND INCLUDING THE APRIL 2023 CONTRACT MONTH)

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the three (3) nearest calendar months.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rates that shall standardize the Contract Grade for such futures contract (CBOT Rule 75101.A.6.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate coupon(s) different from the available Fixed Rate coupons of such futures contract.

[Rules 75102.A. – F. unchanged]

75102.G. Final Settlement Price

On the expiring contract's last day of trading, the Exchange shall determine a Final Settlement Price based upon market activity from multiple sources. The Final Settlement Price will be used for deliveries and cash settlement of open positions.

75102.H. Final Settlement

Subject to CBOT Rule 75101.A., deliverable positions must be in increments of ten (10) contracts. Clearing Members holding open long or short positions in a contract month at the time of termination

of trading in such contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the Final Settlement Price (CBOT Rule 75102.G.). Non-deliverable positions of less than ten (10) contracts will be cash-settled based on the Final Settlement Price. Positions of ten (10) contract increments may be cash-settled if matched with non-deliverable positions of less than ten (10) contracts during the delivery process.

75102. TRADING SPECIFICATIONS

(ALL CONTRACT MONTHS COMMENCING WITH THE MAY 2023 CONTRACT MONTH)

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the three (3) nearest calendar months.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rates that shall standardize the Contract Grade for such futures contract (CBOT Rule 75101.A.4.6.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate coupon(s) different from the available Fixed Rate coupons of such futures contract.

[Rules 75102.A. – F. unchanged]

75102.G. Final Settlement Price

On the expiring contract's last day of trading, the Exchange shall determine a Final Settlement Price based upon market activity from multiple sources. The Final Settlement Price will be used for deliveries and cash settlement of open positions.

75102.H. Final Settlement

Subject to CBOT Rule 75101.A., deliverable positions must be in increments of ten (10) contracts. Clearing Members holding open long or short positions in a contract month at the time of termination of trading in such contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the Final Settlement Price (CBOT Rule 75102.G.). ~~Non-deliverable positions of less than ten (10) contracts will be cash settled based on the Final Settlement Price. Positions of ten (10) contract increments may be cash settled if matched with non-deliverable positions of less than ten (10) contracts during the delivery process.~~

[Rule 75103. unchanged.]

75104. DELIVERIES ON EXPIRING FUTURES CONTRACTS

(ALL CONTRACT MONTHS UP TO AND INCLUDING THE APRIL 2023 CONTRACT MONTH)

75104.A. Requirements for Participation in Delivery

For an account carried by a Clearing Member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act; and
2. capable of fulfilling futures delivery through a "Full" FICC MBSB clearing member ("MBSB clearing member") that is either an affiliated or unaffiliated Exchange Clearing Member. Limited Member for Electronic Pool Notification (EPN) Service is insufficient.

Subject to these requirements and to CBOT Rules 75104.B. and 75104.C., upon Termination of Trading in such expiring futures (CBOT Rule 75102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Buyer in increments of ten (10) contracts that meet Contract Grade (CBOT Rule 75101.A.) and fulfill Qualification for Physical Delivery, and the holder of each such account that holds a short interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Seller of ten (10) contracts that meet Contract Grade and fulfill Qualification for Physical Delivery.

75104.B. Clearing Member Obligations in Delivery

Subject to the provisions of Exchange Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 75102.F.), each Clearing Member that carries accounts holding long or short interest in such expiring futures contract shall submit and:

1. ensure that the requirements set forth in CBOT Rule 75104.A. are met;
2. in accord with the requirements set forth in CBOT Rule 75104.B., ensure that the holder of each such account has designated (a) the MBSD Account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the MBSD clearing member(s) carrying such MBSD Account(s);
3. ensure that any MBSD clearing member carrying such MBSD Account(s) as may be designated pursuant to CBOT Rule 75104.C.2. has been notified of such designation; and
4. obtain acknowledgement from each MBSD clearing member designated pursuant to CBOT Rule 75104.C.2. that such MBSD clearing member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 75104.E.).

Where a Clearing Member carries accounts holding interest both long and short in such expiring futures contract, the Clearing Member must fulfill CBOT Rule 75104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.

75104.C. Clearing Member Reporting Obligations Prior to Delivery

Each Clearing Member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last three (3) days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:

1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;
2. confirmation whether such account meets the requirements set forth in CBOT Rule 75104.A.

75104.D. Notification of DTCC FICC MBSD Clearing Members in Delivery

Intention Day

Not later than 4:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of intention for delivery shall include quantity, delivery method and EPN Pool ID and any other information as may be required by the Exchange.

The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis within the same delivery method in increments of ten (10) open long futures positions as TBA Buyer, and ten (10) open short positions as TBA Seller.

Non-deliverable positions of less than ten (10) contracts will be cash-settled based on the final settlement price. Positions of ten (10) contract increments may be cash-settled if matched with non-deliverable positions of less than ten (10) contracts during the delivery process.

The Clearing House shall provide delivery notices to Clearing Members after 5:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBSD clearing member carrying one or more MBSD Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBSD clearing member, such Clearing House notification shall include:

1. identification of MBSD Accounts, carried by such MBSD clearing member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the MBSD clearing member(s) carrying the account(s) in which each such long futures position is held; and /or
2. identification of MBSD Accounts, carried by such MBSD clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBSD clearing member(s) carrying the account(s) in which each such short futures position is held.

75104.E. DTCC FICC MBSB Clearing Member Obligations in Delivery

Every ten (10) futures contracts that are delivered shall be a MBSB cleared TBA that matches the “good-delivery millions” threshold. To fulfill the delivery obligation for a long futures position of ten (10) contracts, the TBA confirmation must demonstrate that one MBSB cleared TBA Buyer has been established for the same Contract Grade (Fixed Rate, Delivery Month). To fulfill the delivery obligation for a short futures position of ten (10) contracts, the TBA confirmation must demonstrate that one MBSB cleared TBA Seller has been established for the same Contract Grade (Fixed Rate, Delivery Month).

The TBA confirmation must include the following details: product (issuer, coupon, term), trade date, quantity, price, direction (buy/sell), and settlement date of the TBA trade.

TBA Buyer and TBA Seller are required to provide confirmation of TBA transfer by 3:00 p.m. on the delivery day or as may be prescribed by the Clearing House.

In the event that an MBSB clearing member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 75104.E., such MBSB clearing member shall promptly notify the Clearing House, and the dispute must be settled prior to 4:00 p.m. on the Delivery Date in fulfillment of such expiring futures (CBOT Rule 75104.D.),

Matched TBA Buyers and TBA Sellers for Delivery

1. By holding open positions into the Intention Day that are matched for delivery, the matched TBA Buyer and TBA Seller are deemed to have entered into a transaction as a single, separate and independent legally binding agreement. Each transaction is a valid and legally binding obligation of, and shall be enforceable against the parties.
2. TBA Buyer and TBA Seller agree and understand that all responsibility for any TBA delivery obligation remains solely with the TBA Buyer and TBA Seller.
3. TBA deliveries shall be deemed completed with confirmations that verify establishing MBSB positions that fulfill the futures delivery obligations.
4. All deliveries shall be conducted in conformity with the FICC-MBSB Clearing Rules and the good delivery guidelines of SIFMA’s Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities (CBOT Rule 75104.B.) (CBOT Rule 75104.C.) (CBOT Rule 75104.D.).

75104. DELIVERIES ON EXPIRING FUTURES CONTRACTS

(ALL CONTRACT MONTHS COMMENCING WITH THE MAY 2023 CONTRACT MONTH)

75104.A. Requirements for Participation in Delivery

For an account carried by a Clearing Member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act; and
2. capable of fulfilling futures delivery through a “Full” FICC MBSB clearing member (“MBSB clearing member”) that is either an affiliated or unaffiliated Exchange Clearing Member. Limited Member for Electronic Pool Notification (EPN) Service is insufficient.

Subject to these requirements and to CBOT Rules 75104.B. and 75104.C., upon Termination of Trading in such expiring futures (CBOT Rule 75102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Buyer in increments of ten (10) one contracts that meets Contract Grade (CBOT Rule 75101.A.) and fulfill Qualification for Physical Delivery, and the holder of each such account that holds a short interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Seller of ten (10) one contracts that meets Contract Grade and fulfill Qualification for Physical Delivery.

75104.B. Clearing Member Obligations in Delivery

Subject to the provisions of Exchange Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 75102.F.), each Clearing Member that carries accounts holding long or short interest in such expiring futures contract shall submit and:

1. ensure that the requirements set forth in CBOT Rule 75104.A. are met;
2. in accord with the requirements set forth in CBOT Rule 75104.B., ensure that the holder of each such account has designated (a) the MBSD Account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the MBSD clearing member(s) carrying such MBSD Account(s);
3. ensure that any MBSD clearing member carrying such MBSD Account(s) as may be designated pursuant to CBOT Rule 75104.C.2. has been notified of such designation; and
4. obtain acknowledgement from each MBSD clearing member designated pursuant to CBOT Rule 75104.C.2. that such MBSD clearing member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 75104.E.).

Where a Clearing Member carries accounts holding interest both long and short in such expiring futures contract, the Clearing Member must fulfill CBOT Rule 75104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.

75104.C. Clearing Member Reporting Obligations Prior to Delivery

Each Clearing Member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last three (3) days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:

1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;
2. confirmation whether such account meets the requirements set forth in CBOT Rule 75104.A.

75104.D. Notification of DTCC FICC MBSD Clearing Members in Delivery

Intention Day

Not later than 4:00 2:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of intention for delivery shall include quantity, delivery method and EPN Pool ID and any other information as may be required by the Exchange.

The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis within the same delivery method in increments of ten (10) with open long futures positions as TBA Buyer, and ten (10) open short positions as TBA Seller.

Non-deliverable positions of less than ten (10) contracts will be cash settled based on the final settlement price. Positions of ten (10) contract increments may be cash settled if matched with non-deliverable positions of less than ten (10) contracts during the delivery process.

The Clearing House shall provide delivery notices to Clearing Members after 5:00 3:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBSD clearing member carrying one or more MBSD Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBSD clearing member, such Clearing House notification shall include:

1. identification of MBSD Accounts, carried by such MBSD clearing member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the MBSD clearing member(s) carrying the account(s) in which each such long futures position is held; and /or
2. identification of MBSD Accounts, carried by such MBSD clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBSD clearing member(s) carrying the account(s) in which each such short futures position is held.

75104.E. DTCC FICC MBSD Clearing Member Obligations in Delivery

Every ~~ten (10)~~ futures contracts that are is delivered shall be a MBS D cleared TBA that matches the "good delivery millions" threshold. To fulfill the delivery obligation for a long futures position of a TBA ~~ten (10)~~ contracts, the TBA confirmation must demonstrate that ~~one~~ a MBS D cleared TBA Buyer has been established for the same Contract Grade (Fixed Rate, Delivery Month). To fulfill the delivery obligation for a short futures position of ~~ten (10)~~ a TBA contracts, the TBA confirmation must demonstrate that ~~one~~ a MBS D cleared TBA Seller has been established for the same Contract Grade (Fixed Rate, Delivery Month).

The TBA confirmation must include the following details: product (issuer, coupon, term), trade date, quantity, price, direction (buy/sell), and settlement date of the TBA trade.

TBA Buyer and TBA Seller are required to provide confirmation of TBA transfer by 3:00 p.m. on the delivery day or as may be prescribed by the Clearing House.

In the event that an MBS D clearing member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 75104.E., such MBS D clearing member shall promptly notify the Clearing House, and the dispute must be settled prior to 4:00 p.m. on the Delivery Date in fulfillment of such expiring futures (CBOT Rule 75104.D.).

Matched TBA Buyers and TBA Sellers for Delivery

1. By holding open positions into the Intention Day that are matched for delivery, the matched TBA Buyer and TBA Seller are deemed to have entered into a transaction as a single, separate and independent legally binding agreement. Each transaction is a valid and legally binding obligation of, and shall be enforceable against the parties.
2. TBA Buyer and TBA Seller agree and understand that all responsibility for any TBA delivery obligation remains solely with the TBA Buyer and TBA Seller.
3. TBA deliveries shall be deemed completed with confirmations that verify establishing MBS D positions that fulfill the futures delivery obligations.
4. All deliveries shall be conducted in conformity with the FICC-MBS D Clearing Rules and the good delivery guidelines of SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities (CBOT Rule 75104.B.) (CBOT Rule 75104.C.) (CBOT Rule 75104.D.).

[Remainder of Rule unchanged.]

Appendix B
CBOT Rulebook
[Effective April 7, 2023]

(additions underscored; deletions ~~struck through~~)

Chapter 75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures

75100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 30-Year UMBS TBA futures (“futures”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Unless otherwise specified, times referenced herein shall indicate Central Prevailing Time (“CPT”).

75101. CONTRACT SPECIFICATIONS

75101.A. Contract Grade

~~(ALL CONTRACT MONTHS UP TO AND INCLUDING THE APRIL 2023 CONTRACT MONTH)~~

The contract grade for delivery on futures made under these Rules shall be the Depository Trust & Clearing Corporation’s ~~(DTCC) Fixed Income Clearing Corporation (FICC) Mortgage-Backed Securities Division (MBSD)-cleared 30-Year UMBS TBA contracts which have the following standards:~~

- ~~1. **Issuers:** Fannie Mae and Freddie Mac~~
- ~~2. **Mortgage Term:** 30-Year~~
- ~~3. **Deliverable Grade and Size:** \$100,000 face value of MBSD-cleared 30-Year UMBS TBA at a given coupon rate. Deliveries must be made in ten contract increments with combined deliveries of \$1,000,000 face value of MBSD-cleared 30-Year UMBS TBA at a given coupon rate.~~
- ~~4. **Qualification for Physical Delivery:** Ten (10) contract increments.~~
- ~~5. **Cash Settlement:** Non-deliverable positions of less than ten (10) contracts will be cash-settled at expiration. Positions of ten (10) contract increments may be cash-settled if matched with positions of less than ten (10) contracts during the delivery process. Due to the commercial nature of this market and the requirement of \$1,000,000 face value for delivery, TBA Buyers and TBA Sellers holding long or short open positions in an expiring futures contract must use commercially reasonable efforts to maintain positions in increments of ten (10) contracts to match the “good deliveries” threshold (CBOT Rule 75104.E) and to liquidate any position in an increment of less than ten (10) contracts prior to expiration.~~
- ~~6. **Fixed Rates:** For a given Delivery Month, futures are listed by the Exchange for delivery of specified active (current production) mortgage coupon rates. Futures contract Fixed Rates set by the Exchange at integer multiple of fifty (50) basis points (i.e., one half of one percent) per annum when such futures contract is initially listed for trading.~~
- ~~7. **Mortgage Loan Criteria:** Must fulfill conforming 30-Year fixed-rate single-family TBA-eligible MBS pools.~~
- ~~8. **TBA Buyer:** Long futures in delivery. Expect to receive conforming agency MBS pools in exchange for fixed rate. Expect to take delivery of agency pass-through securities.~~
- ~~9. **TBA Seller:** Short futures in delivery. Expect to deliver conforming agency MBS pools in exchange for fixed rate. Expect to make delivery of agency pass-through securities.~~
- ~~10. **Last Trading Day (LTD):** Three (3) Exchange Business Days prior to SIFMA TBA Notification Date.~~
- ~~11. **Delivery Day:** Exchange Business Day immediately following LTD.~~
- ~~12. **Listed Delivery Months:** At least nearest three (3) calendar months at any given time~~

75101.A. Contract Grade

(~~ALL CONTRACT MONTHS COMMENCING WITH THE MAY 2023 CONTRACT MONTH~~)

The contract grade for delivery on futures made under these Rules shall be the Depository Trust & Clearing Corporation's (DTCC) Fixed Income Clearing Corporation (FICC) Mortgage-Backed Securities Division (MBSD)-cleared 30-Year UMBS TBA contracts which have the following standards:

1. **Issuers:** Fannie Mae and Freddie Mac
2. **Mortgage Term:** 30-Year
3. **Deliverable Grade and Size:** \$100,000 face value of MBSD-cleared 30-Year UMBS TBA at a given coupon rate.
4. **Fixed Rates:** For a given Delivery Month, futures are listed by the Exchange for delivery of specified active (current-production) mortgage coupon rates. Futures contract Fixed Rates set by the Exchange at integer multiple of fifty (50) basis points (i.e., one half of one percent) per annum when such futures contract is initially listed for trading.
5. **Mortgage Loan Criteria:** Must fulfill conforming 30-Year fixed-rate single-family TBA-eligible MBS pools.
6. **TBA Buyer:** Long futures in delivery. Expect to receive conforming agency MBS pools in exchange for fixed rate. Expect to take delivery of agency pass-through securities.
7. **TBA Seller:** Short futures in delivery. Expect to deliver conforming agency MBS pools in exchange for fixed rate. Expect to make delivery of agency pass-through securities.
8. **Last Trading Day (LTD):** Three (3) Exchange Business Days prior to SIFMA TBA Notification Date.
9. **Delivery Day:** Exchange Business Day immediately following LTD.
10. **Listed Delivery Months:** At least nearest three (3) calendar months at any given time

75102. TRADING SPECIFICATIONS

(~~ALL CONTRACT MONTHS UP TO AND INCLUDING THE APRIL 2023 CONTRACT MONTH~~)

~~The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the three (3) nearest calendar months.~~

~~For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rates that shall standardize the Contract Grade for such futures contract (CBOT Rule 75101.A.6.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate coupon(s) different from the available Fixed Rate coupons of such futures contract.~~

[Rules 75102.A. – F. unchanged]

75102.G. Final Settlement Price

~~On the expiring contract's last day of trading, the Exchange shall determine a Final Settlement Price based upon market activity from multiple sources. The Final Settlement Price will be used for deliveries and cash settlement of open positions.~~

75102.H. Final Settlement

~~Subject to CBOT Rule 75101.A., deliverable positions must be in increments of ten (10) contracts. Clearing Members holding open long or short positions in a contract month at the time of termination of trading in such contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the Final Settlement Price (CBOT Rule 75102.G.). Non-deliverable positions of less than ten (10) contracts will be cash settled based on the Final Settlement Price. Positions of ten (10) contract increments may be cash settled if matched with non-deliverable positions of less than ten (10) contracts during the delivery process.~~

75102. TRADING SPECIFICATIONS

(~~ALL CONTRACT MONTHS COMMENCING WITH THE MAY 2023 CONTRACT MONTH~~)

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the three (3) nearest calendar months.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rates that shall standardize the Contract Grade for such futures contract (CBOT Rule 75101.A.4.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate coupon(s) different from the available Fixed Rate coupons of such futures contract.

[Rules 75102.A. – F. unchanged]

75102.G. Final Settlement Price

On the expiring contract's last day of trading, the Exchange shall determine a Final Settlement Price based upon market activity from multiple sources. The Final Settlement Price will be used for deliveries of open positions.

75102.H. Final Settlement

Clearing Members holding open long or short positions in a contract month at the time of termination of trading in such contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the Final Settlement Price (CBOT Rule 75102.G.).

[Rule 75103. unchanged.]

75104. DELIVERIES ON EXPIRING FUTURES CONTRACTS

~~(ALL CONTRACT MONTHS UP TO AND INCLUDING THE APRIL 2023 CONTRACT MONTH)~~

~~**75104.A. Requirements for Participation in Delivery**~~

~~For an account carried by a Clearing Member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:~~

- ~~1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act; and~~
- ~~2. capable of fulfilling futures delivery through a "Full" FICC MBSD clearing member ("MBSD clearing member") that is either an affiliated or unaffiliated Exchange Clearing Member. Limited Member for Electronic Pool Notification (EPN) Service is insufficient.~~

~~Subject to these requirements and to CBOT Rules 75104.B. and 75104.C., upon Termination of Trading in such expiring futures (CBOT Rule 75102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Buyer in increments of ten (10) contracts that meet Contract Grade (CBOT Rule 75101.A.) and fulfill Qualification for Physical Delivery, and the holder of each such account that holds a short interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Seller of ten (10) contracts that meet Contract Grade and fulfill Qualification for Physical Delivery.~~

~~**75104.B. Clearing Member Obligations in Delivery**~~

~~Subject to the provisions of Exchange Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 75102.F.), each Clearing Member that carries accounts holding long or short interest in such expiring futures contract shall submit and:~~

- ~~1. ensure that the requirements set forth in CBOT Rule 75104.A. are met;~~
- ~~2. in accord with the requirements set forth in CBOT Rule 75104.B., ensure that the holder of each such account has designated (a) the MBSD Account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the MBSD clearing member(s) carrying such MBSD Account(s);~~
- ~~3. ensure that any MBSD clearing member carrying such MBSD Account(s) as may be designated pursuant to CBOT Rule 75104.C.2. has been notified of such designation; and~~
- ~~4. obtain acknowledgement from each MBSD clearing member designated pursuant to CBOT Rule 75104.C.2. that such MBSD clearing member shall guarantee and assume~~

~~complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 75104.E.).~~

~~Where a Clearing Member carries accounts holding interest both long and short in such expiring futures contract, the Clearing Member must fulfill CBOT Rule 75104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.~~

~~75104.C. Clearing Member Reporting Obligations Prior to Delivery~~

~~Each Clearing Member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last three (3) days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:~~

- ~~1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;~~
- ~~2. confirmation whether such account meets the requirements set forth in CBOT Rule 75104.A.~~

~~75104.D. Notification of DTCC FICC MBSB Clearing Members in Delivery~~

~~Intention Day~~

~~Not later than 4:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of intention for delivery shall include quantity, delivery method and EPN Pool ID and any other information as may be required by the Exchange.~~

~~The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis within the same delivery method in increments of ten (10) open long futures positions as TBA Buyer, and ten (10) open short positions as TBA Seller.~~

~~Non-deliverable positions of less than ten (10) contracts will be cash settled based on the final settlement price. Positions of ten (10) contract increments may be cash settled if matched with non-deliverable positions of less than ten (10) contracts during the delivery process.~~

~~The Clearing House shall provide delivery notices to Clearing Members after 5:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBSB clearing member carrying one or more MBSB Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBSB clearing member, such Clearing House notification shall include:~~

- ~~1. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such long futures position is held; and/or~~
- ~~2. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such short futures position is held.~~

~~75104.E. DTCC FICC MBSB Clearing Member Obligations in Delivery~~

~~Every ten (10) futures contracts that are delivered shall be a MBSB cleared TBA that matches the "good delivery millions" threshold. To fulfill the delivery obligation for a long futures position of ten (10) contracts, the TBA confirmation must demonstrate that one MBSB cleared TBA Buyer has been established for the same Contract Grade (Fixed Rate, Delivery Month). To fulfill the delivery obligation for a short futures position of ten (10) contracts, the TBA confirmation must demonstrate that one MBSB cleared TBA Seller has been established for the same Contract Grade (Fixed Rate, Delivery Month).~~

~~The TBA confirmation must include the following details: product (issuer, coupon, term), trade date, quantity, price, direction (buy/sell), and settlement date of the TBA trade.~~

~~TBA Buyer and TBA Seller are required to provide confirmation of TBA transfer by 3:00 p.m. on the delivery day or as may be prescribed by the Clearing House.~~

~~In the event that an MBSD clearing member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 75104.E., such MBSD clearing member shall promptly notify the Clearing House, and the dispute must be settled prior to 4:00 p.m. on the Delivery Date in fulfillment of such expiring futures (CBOT Rule 75104.D.);~~

Matched TBA Buyers and TBA Sellers for Delivery

- ~~1. By holding open positions into the Intention Day that are matched for delivery, the matched TBA Buyer and TBA Seller are deemed to have entered into a transaction as a single, separate and independent legally binding agreement. Each transaction is a valid and legally binding obligation of, and shall be enforceable against the parties.~~
- ~~2. TBA Buyer and TBA Seller agree and understand that all responsibility for any TBA delivery obligation remains solely with the TBA Buyer and TBA Seller.~~
- ~~3. TBA deliveries shall be deemed completed with confirmations that verify establishing MBSD positions that fulfill the futures delivery obligations.~~
- ~~4. All deliveries shall be conducted in conformity with the FICC MBSD Clearing Rules and the good delivery guidelines of SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities (CBOT Rule 75104.B.) (CBOT Rule 75104.C.) (CBOT Rule 75104.D.);~~

75104. DELIVERIES ON EXPIRING FUTURES CONTRACTS

~~(ALL CONTRACT MONTHS COMMENCING WITH THE MAY 2023 CONTRACT MONTH)~~

75104.A. Requirements for Participation in Delivery

For an account carried by a Clearing Member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act; and
2. capable of fulfilling futures delivery through a "Full" FICC MBSD clearing member ("MBSD clearing member") that is either an affiliated or unaffiliated Exchange Clearing Member. Limited Member for Electronic Pool Notification (EPN) Service is insufficient.

Subject to these requirements and to CBOT Rules 75104.B. and 75104.C., upon Termination of Trading in such expiring futures (CBOT Rule 75102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Buyer of one contract that meets Contract Grade (CBOT Rule 75101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to provide confirmation to the Clearing House establishing position of TBA Seller of one contract that meets Contract Grade.

75104.B. Clearing Member Obligations in Delivery

Subject to the provisions of Exchange Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 75102.F.), each Clearing Member that carries accounts holding long or short interest in such expiring futures contract shall submit and:

1. ensure that the requirements set forth in CBOT Rule 75104.A. are met;
2. in accord with the requirements set forth in CBOT Rule 75104.B., ensure that the holder of each such account has designated (a) the MBSD Account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the MBSD clearing member(s) carrying such MBSD Account(s);
3. ensure that any MBSD clearing member carrying such MBSD Account(s) as may be designated pursuant to CBOT Rule 75104.C.2. has been notified of such designation; and
4. obtain acknowledgement from each MBSD clearing member designated pursuant to CBOT Rule 75104.C.2. that such MBSD clearing member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 75104.E.).

Where a Clearing Member carries accounts holding interest both long and short in such expiring futures contract, the Clearing Member must fulfill CBOT Rule 75104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.

75104.C. Clearing Member Reporting Obligations Prior to Delivery

Each Clearing Member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last three (3) days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:

1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;
2. confirmation whether such account meets the requirements set forth in CBOT Rule 75104.A.

75104.D. Notification of DTCC FICC MBSB Clearing Members in Delivery

Intention Day

Not later than 2:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of intention for delivery shall include quantity and EPN Pool ID and any other information as may be required by the Exchange.

The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis with open long futures positions as TBA Buyer, and open short positions as TBA Seller.

The Clearing House shall provide delivery notices to Clearing Members after 3:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBSB clearing member carrying one or more MBSB Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBSB clearing member, such Clearing House notification shall include:

1. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such long futures position is held; and /or
2. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such short futures position is held.

75104.E. DTCC FICC MBSB Clearing Member Obligations in Delivery

Every futures contract that is delivered shall be a MBSB cleared TBA. To fulfill the delivery obligation for a long futures position of a TBA contract, the TBA confirmation must demonstrate that a MBSB cleared TBA Buyer has been established for the same Contract Grade (Fixed Rate, Delivery Month). To fulfill the delivery obligation for a short futures position of a TBA contract, the TBA confirmation must demonstrate that a MBSB cleared TBA Seller has been established for the same Contract Grade (Fixed Rate, Delivery Month).

The TBA confirmation must include the following details: product (issuer, coupon, term), trade date, quantity, price, direction (buy/sell), and settlement date of the TBA trade.

TBA Buyer and TBA Seller are required to provide confirmation of TBA transfer by 3:00 p.m. on the delivery day or as may be prescribed by the Clearing House.

In the event that an MBSB clearing member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 75104.E., such MBSB clearing member shall promptly notify the Clearing House, and the dispute must be settled prior to 4:00 p.m. on the Delivery Date in fulfillment of such expiring futures (CBOT Rule 75104.D.),

Matched TBA Buyers and TBA Sellers for Delivery

1. By holding open positions into the Intention Day that are matched for delivery, the matched TBA Buyer and TBA Seller are deemed to have entered into a transaction as a single, separate and independent legally binding agreement. Each transaction is a valid and legally binding obligation of, and shall be enforceable against the parties.
2. TBA Buyer and TBA Seller agree and understand that all responsibility for any TBA delivery obligation remains solely with the TBA Buyer and TBA Seller.
3. TBA deliveries shall be deemed completed with confirmations that verify establishing MBSD positions that fulfill the futures delivery obligations.
4. All deliveries shall be conducted in conformity with the FICC-MBSD Clearing Rules and the good delivery guidelines of SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities (CBOT Rule 75104.B.) (CBOT Rule 75104.C.) (CBOT Rule 75104.D.).

[Remainder of Rule unchanged.]

Appendix C
CBOT Rulebook
[Effective February 6, 2023]

(additions underscored; deletions ~~struck through~~)

Chapter 5
(“Trading Qualifications and Practices”)
Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)

Appendix D
CBOT Rulebook
[Effective April 7, 2023]

(additions underscored; deletions ~~struck through~~)

Chapter 5
(“Trading Qualifications and Practices”)
Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)