TMPG | Treasury Market Practices Group

September 25, 2024

Treasury Market Practices Group Reaffirms its Best Practice Recommendation and Updates Frequently Asked Questions on Margining of Agency MBS Transactions

The Treasury Market Practices Group (TMPG) today reaffirmed its longstanding best practice recommendation for two-way margin exchange across the range of forward-settling agency MBS transactions as an effective mitigant for credit and systemic risk. The TMPG also updated the "Frequently Asked Questions: Margining Agency MBS Transactions" in light of amendments to the Financial Industry Regulatory Authority's Rule 4210 on Margin Requirements related to forward-settling Agency MBS transactions, which became effective on May 22, 2024.

"The TMPG sees FINRA Rule 4210 as complementary rather than in conflict with our best practice recommendation," said Casey Spezzano, Chair of the TMPG. "In addition to considering TMPG best practices, market participants should be aware of, and comply with, applicable laws, rules, and regulations at all times."

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About the Treasury Market Practices Group
The TMPG is composed of senior business managers and legal and compliance professionals from a variety of institutions—including securities dealers, banks, buy-side firms, market utilities, and others. The Group is committed to supporting the integrity and efficiency of the Treasury, agency debt, and agency mortgage-backed securities markets. It is sponsored by, but is not part of, the Federal Reserve Bank of New York. Any views expressed by the TMPG do not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System. More information is available at: www.newyorkfed.org/tmpg.

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