

DATE: December 14, 2016

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers
Margin Managers

FROM: CME Clearing

NOTICE #: 16-526

SUBJECT: Change in Interest Rate on US Dollar (USD) House Cash Balances

Effective December 16, 2016, CME Clearing will increase the interest rate paid on US Dollar cash balances on deposit by clearing members to meet House (proprietary) initial margin requirements from the current rate of 40 basis points to 60 basis points per annum. The majority of these balances are held at the Federal Reserve Bank of Chicago.

The rate paid will be available daily on the following link and is subject to change, based on market conditions:

<http://www.cmegroup.com/clearing/financial-and-collateral-management/acceptable-collateral-for-cash.html>

The monthly USD interest payment will continue to occur during the first week of the following month.

At this time CME will continue to pay an interest rate of 18 basis points per annum on clearing member customer segregated initial margin, cleared swaps customer initial margin, and guaranty fund cash balances. These balances are held at commercial banks and invested in US Treasury based assets. A separate advisory will be published informing of an interest rate change on these USD cash balances as the portfolio realizes a rate increase.

For more information, please contact CME Clearing at 312-207-2594.