

DATE: May 2, 2019

TO: Clearing Member Firms

FROM: CME Clearing

NOTICE #: 19-142

SUBJECT: Change in Interest Rate on Cleared Swaps IRS (Customer and House) USD Cash Balances

Effective June 3, 2019, CME Clearing will adjust the interest rate paid on USD cash balances on deposit by clearing members accordingly:

- The interest rate paid on USD cash balances on deposit by clearing members to meet customer and house (proprietary) performance bond requirements associated with products in the OTC IRS waterfall will be adjusted from Fed Funds Effective Rate less 10 basis points to Interest on Excess Reserves ("IOER") less 10 basis points.

The interest rate paid on USD cash balances on deposit by clearing members to meet guaranty fund requirements associated with products in the Cleared Swaps IRS waterfall will remain unchanged at 198 basis points.

The IOER rate can be found on the Federal Reserve's website on the following link:
<https://fred.stlouisfed.org/series/IOER>

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.

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