

DATE: June 29, 2021

TO: Clearing Member Firms

FROM: CME Clearing

NOTICE #: 21-228R

SUBJECT: Revised: Change in Terminology of Interest Rate Benchmark for USD Cash Balances

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Effective July 29, 2021, the Board of Governors of the Federal Reserve System replaced both "interest on excess reserves" (IOER) rate and "interest on required reserves" (IORR) rate with references to a singular "interest on reserve balances" (IORB) rate. As such, CME will update the terminology of its benchmark from "IOER" to "IORB."

- 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 both the Base waterfall and in the Cleared Swaps IRS waterfall will change from the current rate of Interest on Excess Reserves ("IOER") less 5 basis points to Interest on Reserve Balances ("IORB") less 5 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 Base waterfall and in the Cleared Swaps IRS waterfall will remain at 5 basis points.

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

<https://www.cmegroup.com/clearing/financial-and-collateral-management/cash-interest-rates-and-non-cash-collateral-fees.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.