

Chapter 76

Optimal Blue Mortgage Market Indices (OBMMI) 30-Year Conforming Fixed Rate Index Futures

76100. SCOPE OF CHAPTER

This chapter is limited in application to Optimal Blue Mortgage Market Indices (OBMMI) 30-Year Conforming Fixed Rate Index Futures (“futures” or “contract”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable. The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Optimal Blue Mortgage Market Indices (OBMMI) 30-Year Conforming Fixed Rate Index (the “Index”) over five (5) business days up to and including the termination of trading (Rule 76102.F.). The procedures for trading, clearing and cash settlement of these contracts, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

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

76101. CONTRACT SPECIFICATIONS

Each contract shall be valued at \$5,000 times the Index.

76102. TRADING SPECIFICATIONS

76102.A. Trading Schedule

Contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

76102.B. Trading Unit

The unit of trade shall be \$5,000 times the contract-grade Index.

76102.C. Price Increments

The price shall be quoted as 100 minus the arithmetic mean of the Index over five (5) business days up to and including the termination of trading (Rule 76102.F.) to three decimal places.

For the Optimal Blue Mortgage Market Indices (OBMMI) 30-Year Conforming Fixed Rate Index Futures, the minimum price fluctuation shall be 0.005 Index points (equal to \$25 per contract).

76102.D. Special Price Fluctuation Limits

At the commencement of each trading day, the contracts shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

76102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

76102.F. Termination of Trading

Trading in an expiring futures contract shall terminate on the Settlement Day for Class A instruments defined by the Securities Industry and Financial Markets Association (SIFMA) in the MBS Notification Settlement Dates section on the TBA Market Governance website.

76103. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

76103.A. Final Settlement Price

The Final Settlement Price shall be calculated as 100 minus the arithmetic mean of the Index over the last five business days up to and including the termination of trading (Rule 76102.F.), as published by Optimal Blue, LLC, rounded to the nearest three decimal places on the contract’s named month of delivery Settlement Day for Class A instruments.

For the purposes of this Rule, business days shall mean all weekdays, excluding any dates on which Optimal Blue, LLC does not publish the index. Such rate shall be as determined, and as first published, by Optimal Blue, LLC. The value of such rate, so published, shall be to the nearest 0.001 Index points.

Example: An index value of 6.759 would be subtracted from 100.000 to determine a contract final settlement price of 93.241 Index points.

76103.B. Final Settlement

Clearing Members holding open positions in a contract at the time of termination of trading in that 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 (Rule 76103.A.).

(End Chapter 76)