



11-262

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

FROM: CME Clearing

SUBJECT: Collateral Haircuts

DATE: Monday, July 25, 2011

As per the normal review of market volatility to ensure adequate collateral coverage, CME Clearing will implement the following collateral haircuts effective with the close of business on Thursday, July 28, 2011.

Should you have any questions, please contact the Risk Management department at 312-648-3888.

Asset Class		Current Haircuts				New Haircuts			
		0 - 5 years	5 years - 10 years	> 10 years	Off the run	0 - 5 years	5 years - 10 years	> 10 years	Off the run
U.S. Treasuries		0.0%				0.5%			
	TBILL	0.0%				0.5%			
	TNOTE/TBOND	2.0%	3.5%	5.0%	0.5%	3.0%	4.5%	6.0%	1.5%
	TSTRIP	10.0%	10.0%	10.0%		11.0%	11.0%	11.0%	
U.S. Government Agencies	<i>FFCB, FHLB, FHLMC, FNMA, GSEOTH</i>	0 - 5 years	5 years - 10 years	> 10 years	Off the run	0 - 5 years	5 years - 10 years	> 10 years	Off the run
	BILL	3.0%				3.5%			
	NOTE/BOND	3.0%	4.5%	6.0%	0.5%	4.0%	5.5%	7.0%	1.5%
	Mortgage Backed Securities (FNMA, FHLMC, GNMA)	10.0%	10.0%	10.0%		11.0%	11.0%	11.0%	
Foreign Sovereign Debt	<i>Canada, France, Germany, Sweden, United Kingdom</i>	0 - 5 years	5 years - 10 years	10 years - 30 years	> 30 years	0 - 5 years	5 years - 10 years	10 years - 30 years	> 30 years
	BILL	3.0%				5.0%			
	NOTE/BOND	5.5%	7.0%	8.5%	10.0%	6.0%	7.5%	9.0%	10.5%