



TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 12-205

SUBJECT: **Credit Event Advisory- Credit Event declared for Residential Capital, LLC**

The ISDA Determinations Committee has determined that a Bankruptcy Credit Event occurred with respect to **Residential Capital, LLC**. See the following: <<< [<>>>](http://www.isda.org/credit/). The Event Determination Date is May 14<sup>th</sup>, 2012 and the number of days that CME Clearing will use to calculate the coupon payment will be **56** days.

Residential Capital, LLC is referenced in the following CME cleared CDX North American High Yield Indices:

CDXHY11V20.SR.XR.USD  
CDXHY12V11.SR.XR.USD  
CDXHY13V5.SR.XR.USD  
CDXHY14V4.SR.XR.USD  
CDXHY15V4.SR.XR.USD  
CDXHY16V4.SR.XR.USD  
CDXHY17V4.SR.XR.USD  
CDXHY18.SR.XR.USD

The initial processing date for this credit event will be May 16<sup>th</sup>, 2012.

**Please Note:**

Since CME Clearing only offers index contracts there will be no single-name contract affected by this Credit Event, nor will there be a recovery swap made available for clearing on this single name.

Additionally, the margin model will also account for the defaulted name price uncertainty up until the date of the auction.

Another advisory notice will be published detailing next steps in the settlement process and re-versioning of the affected indices.

Please contact [onboarding@cmegroup.com](mailto:onboarding@cmegroup.com) with any questions regarding this update.

Regards,  
CME Clearing