

13-205

TO: Clearing Firms
Back Office Managers

FROM: CME Clearing

SUBJECT: U.S. Treasury Maturity Haircut Schedule Changes

DATE: May 1, 2013

As per the normal review of market volatility to ensure adequate collateral coverage, CME Clearing will implement the following change to the U.S. Treasury maturity haircut schedule effective with the close of business on Wednesday, May 8, 2013.

Current Schedule:

U.S. Treasuries

U.S. Treasury Bills

0.5% haircuts applied to market value.

U.S. Treasury Notes/Bonds

Time to Maturity:

0-5 years - 3%
5-10 years - 4.5%
10-30 years - 6%

U.S. Treasury Notes/Bonds have an **additional 1.5% haircut** if issue date is greater than 270 days

Revised Schedule:

U.S. Treasuries

U.S. Treasury Bills

0.5% haircuts applied to market value.

U.S. Treasury Notes/Bonds

Time to Maturity:

0-1 years - 1%
1-3 years - 2%
3-5 years - 3%
5-10 years - 4.5%
10-30 years - 6%

U.S. Treasury Notes/Bonds have an **additional 1.5% haircut** if issue date is greater than 270 days

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

Please refer to the website <http://www.cmegroup.com/clearing/financial-and-collateral-management/> for further detail regarding acceptable collateral, haircuts, and limits.