ALD: Broker – Dealers Problem Escalation Process Flows

A Guideline to broker-dealers for resolving problems occurring during the daily ALD process flow

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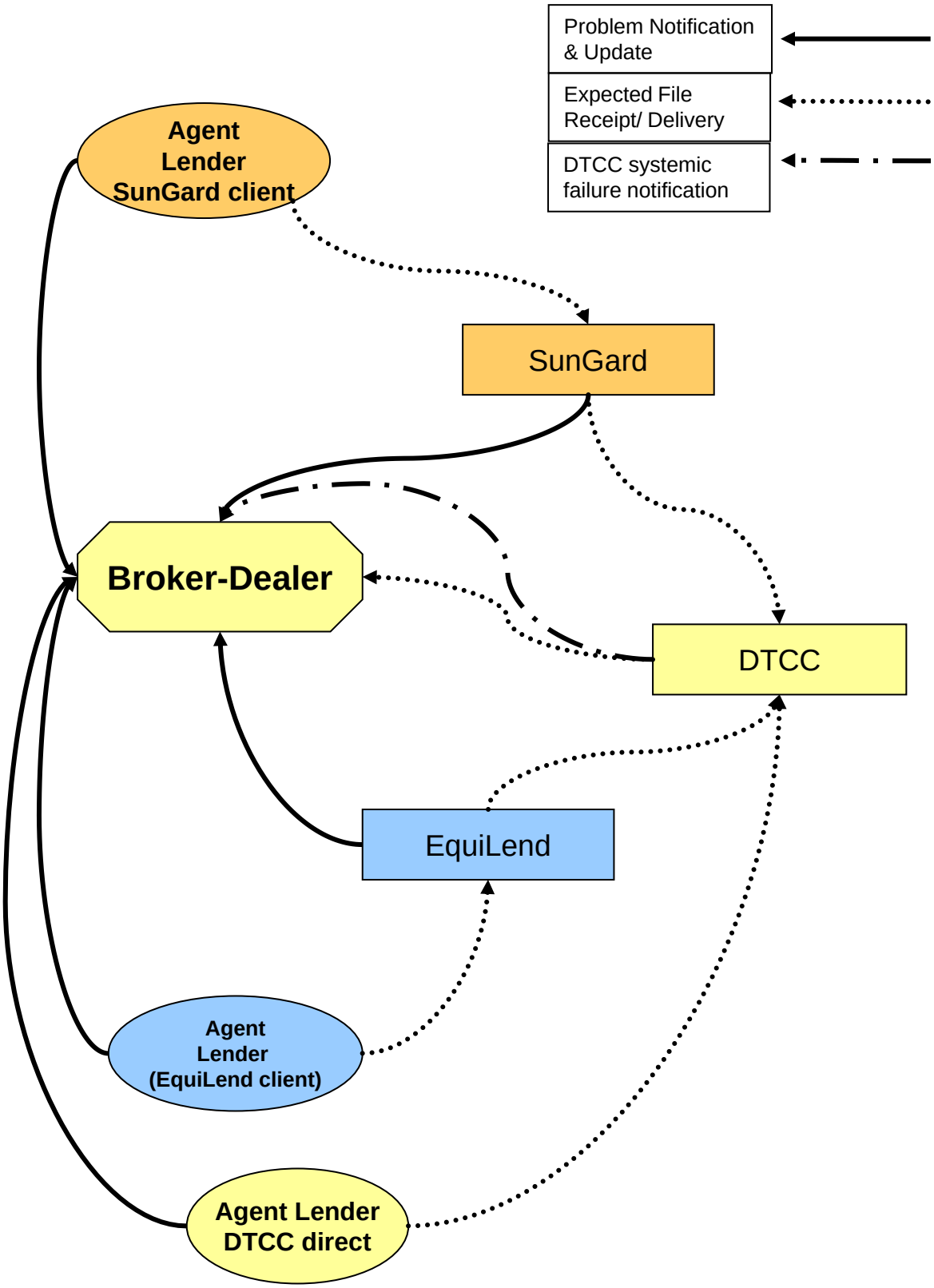
Broker-Dealer Accessing Through DTCC

Files and Notification Flow



Broker-Dealer Daily file receipt via DTCC Guidelines

Broker-dealers that experience problems retrieving agent lender files from DTCC should:

1. Check for e-mail notification from vendors (SunGard, EquiLend) or agent lenders of problems or delays in delivering the loan and/or collateral file(s)
2. Check the file status on the DTCC website or contact the DTCC, 24 hour PIP Hotline (+ 1 212 855.8989)
3. Contact agent lenders directly

DTCC WILL NOT NOTIFY BROKER-DEALERS OF PROBLEMS RECEIVING AGENT LENDER FILES AND DOES NOT TRACK EXPECTED VERSUS RECEIVED FILES.

DTCC will send automatic notifications (through their existing crisis management system) only in the case of systemic failures. These notifications will be sent to anyone who wishes to receive them and who provides a contact email to DTCC. Any broker-dealer connecting directly to DTCC who wishes to be part of this notification process should send their contact email to Margaret Koontz, mkoontz@dtcc.com

Broker-dealers should be notified by vendors (SunGard, EquiLend) and agent lenders of problems or delays in delivering loan and/or collateral file(s)

- Notifications should be received at the broker-dealer's group e-mail address that was specified to their vendor and agent lender counterparties
- A vendor or agent lender notification should include:
    1. Identity of sending firm and contact information
    2. The general nature and severity of the problem
    3. An estimate for correcting the problem
    4. Identification if this is the initial notification of the problem or an update related to a prior notification

Broker-Dealer Daily file receipt via DTCC
Legend

Check DTCC Website For File Availability

Broker-dealers must research missing or unavailable files using the DTCC website and the DTCC PIP Hotline to determine if the files were successfully received by DTCC

- If the broker-dealer finds that files were not successfully received by DTCC then the broker-dealer should check for vendor or agent lender notifications of problems

Call DTCC PIP Hotline & Monitor Status

- If the broker-dealer determines that DTCC successfully received the agent lender files, then the broker-dealer should verify their processing with DTCC and contact the DTCC PIP Hotline for additional support

Monitoring Notifications:

- Once the broker-dealer receives e-mail notification of a problem, they should continue to monitor e-mail for updates on resolving the issue

- If the sender (agent lender, vendor) does not specify an expected time for resolving the problem or has not provided an update by the time specified, the broker-dealer should call the sender using contact information provided

Monitor A/L File Status

Agent lenders must produce notification and status updates of:

- problems creating the loan and/or collateral file(s) that may result in no files being sent;
- delays in creating files;
- problems transmitting the loan and/or collateral file(s) to their primary recipient (EquiLend, SunGard or DTCC).

Monitor Vendor File Status

Vendors must produce notification and status updates of problems sending agent lender files to DTCC.

Contact A/L Re: Missing Files

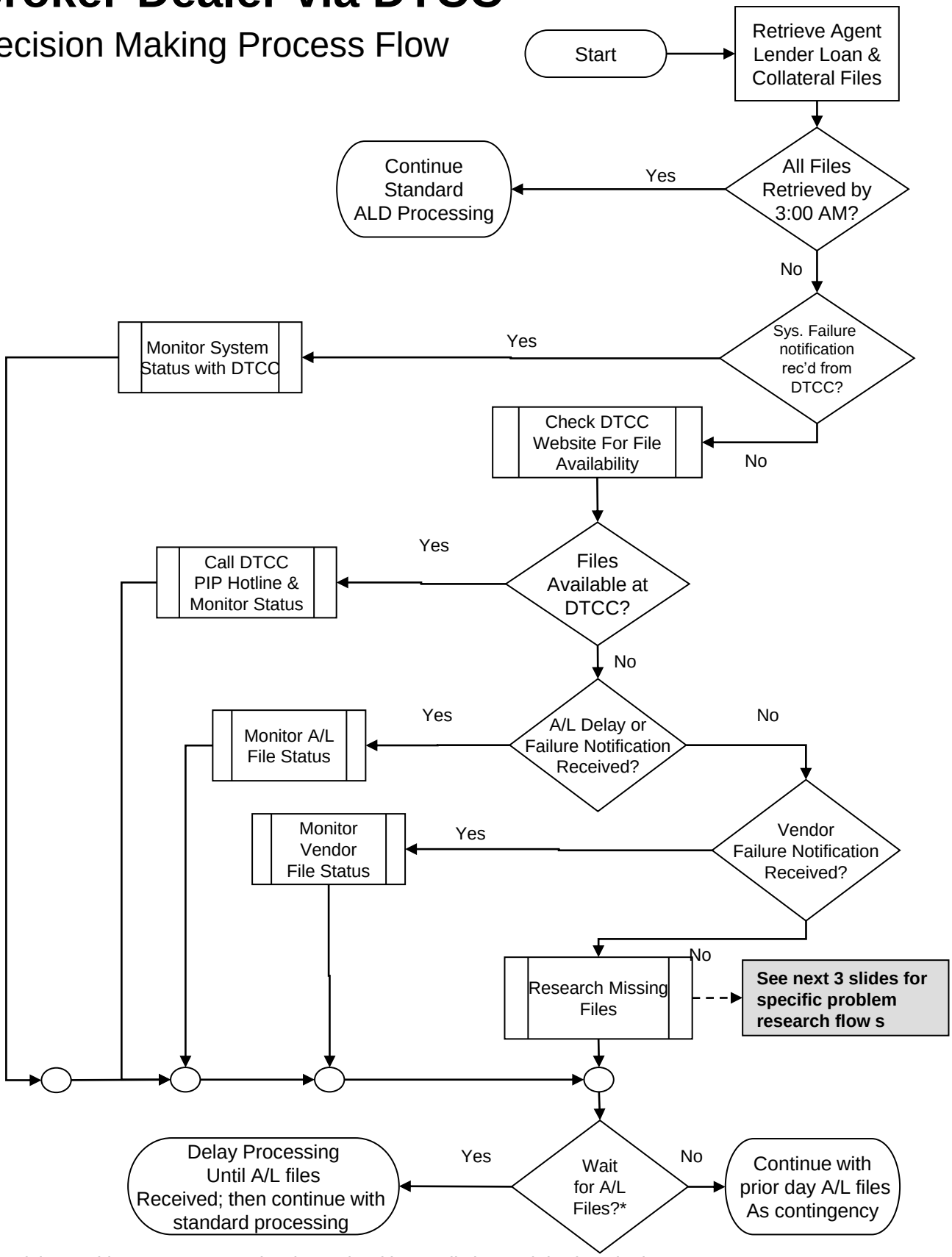
Agent lenders should be contacted directly when no e-mail notification has been received from either the agent lender or a vendor regarding the missing files

Monitor System Status with DTCC

Broker dealer should monitor status with DTCC in the case where a systemic failure email notice was received from DTCC. Monitoring should be done through the DTCC website or by contacting the PIP hotline.

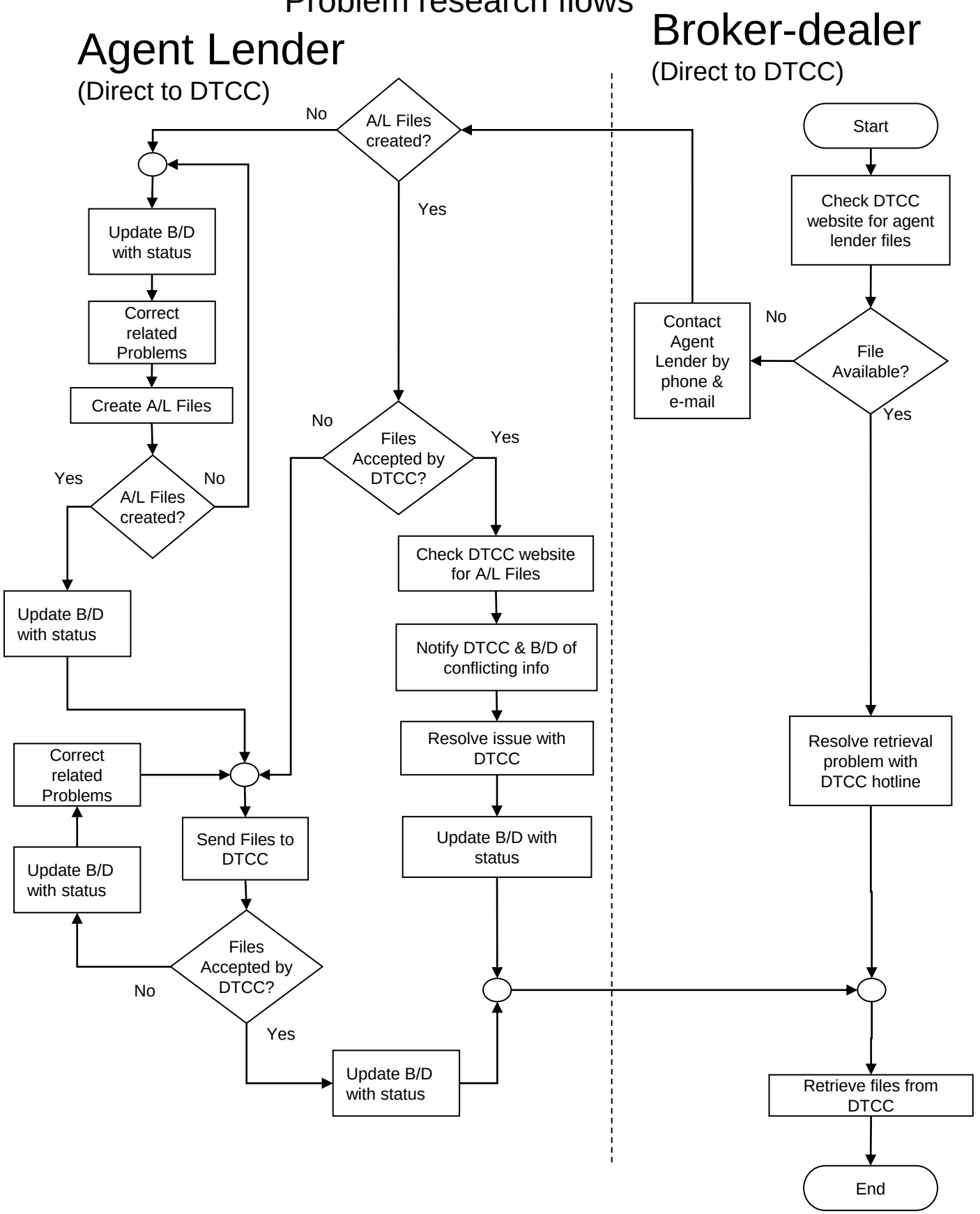
Broker-Dealer via DTCC

Decision Making Process Flow

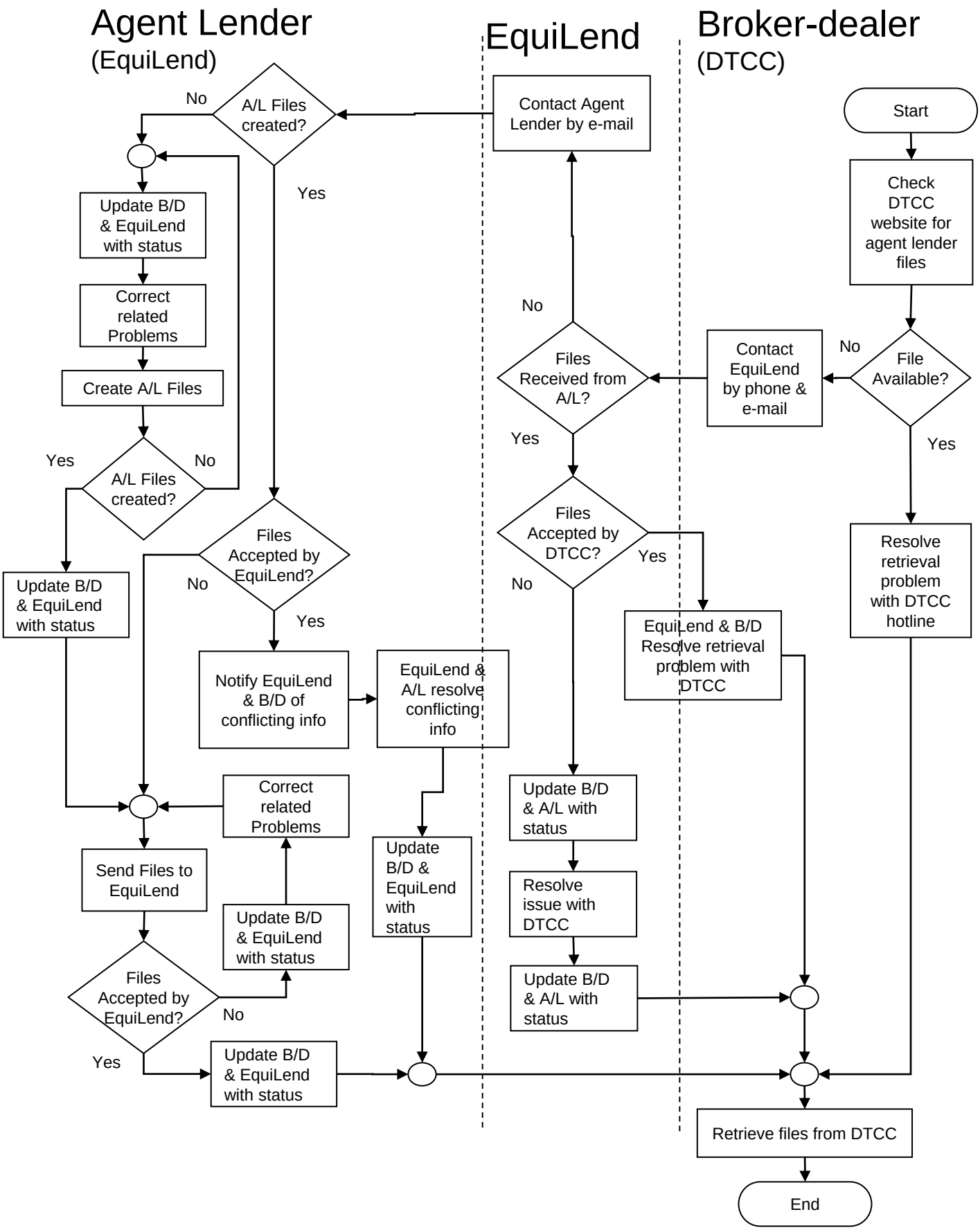


* Decision making process must be determined internally by each broker-dealer

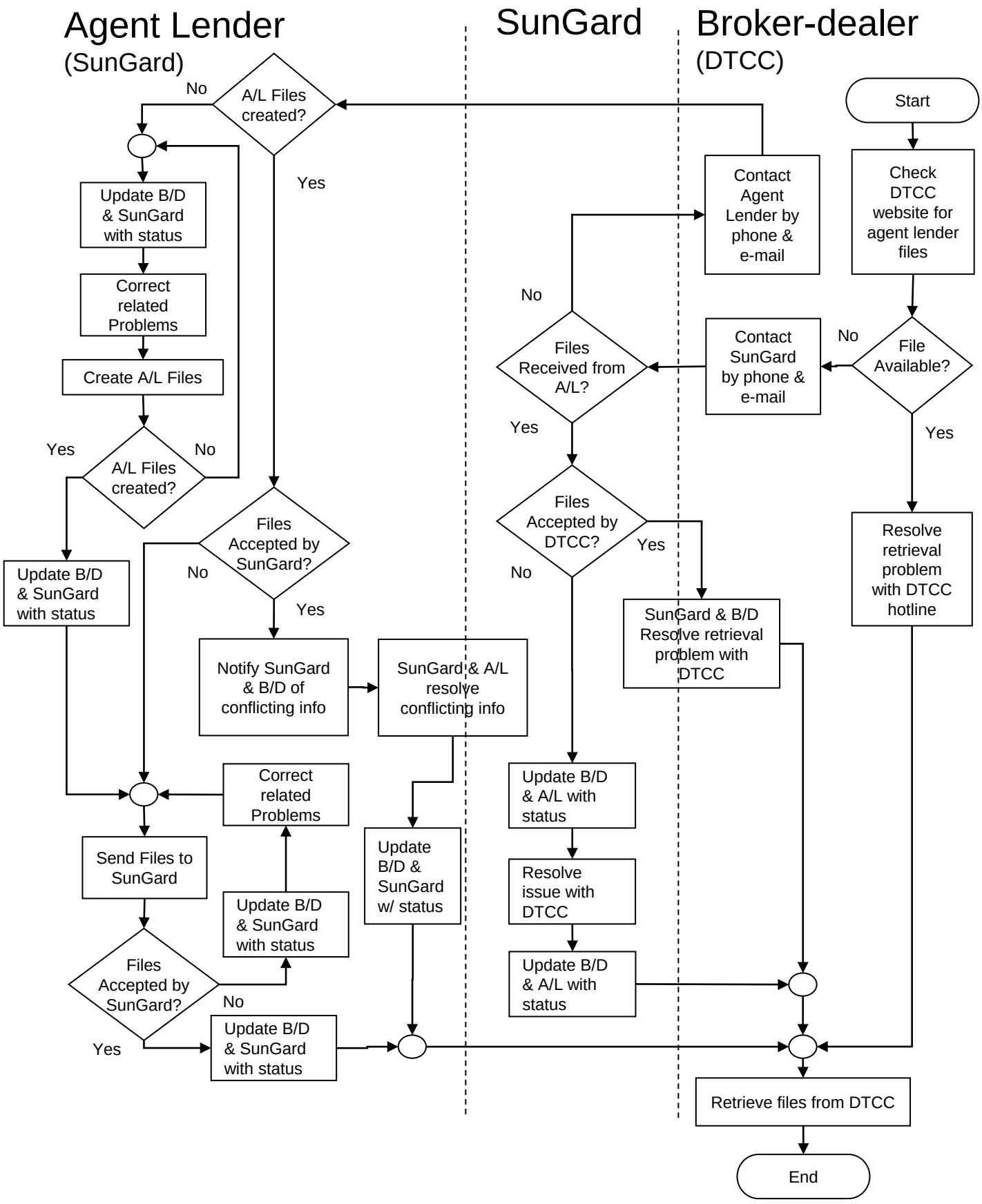
Problem research flows



Problem research flows



Problem research flows

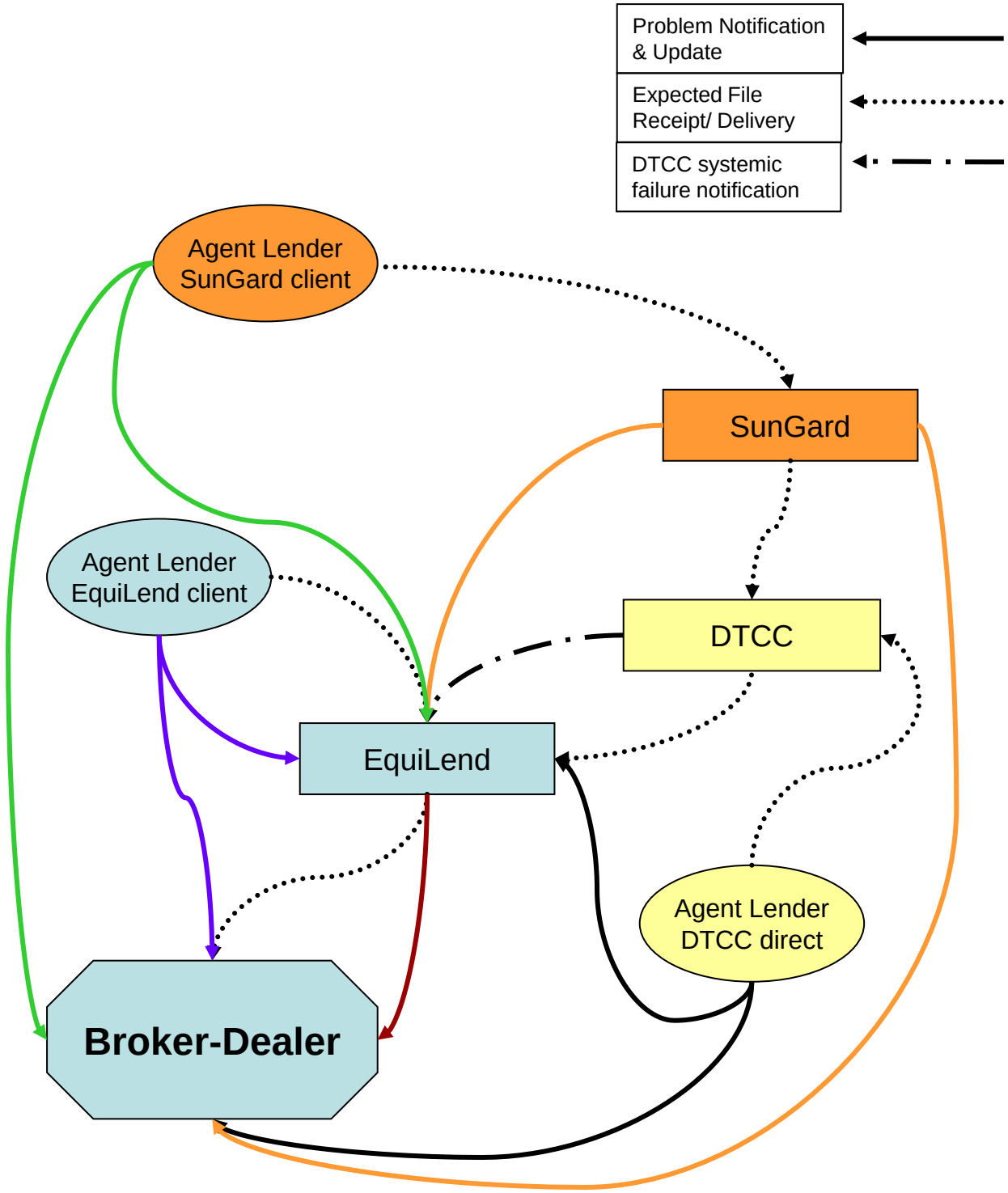


Broker-dealer using EquiLend

- File and notification flow
- Process flow guidelines and legend
- Decision making process flow
- Problem research flows for B/D using EquiLend:
    - Agent Lender direct to DTCC
    - Agent Lender using EquiLend
    - Agent Lender using SunGard

Broker-dealer Accessing Through EquiLend

Files and Notification Flow



Broker-Dealer Daily file receipt via EquiLend
Guidelines and Legend

Broker-dealers should be notified by vendors (SunGard, EquiLend) and agent lenders of problems or delays in delivering loan and/or collateral file(s)

- Notifications should be received at the broker-dealer's group e-mail address that was specified to their vendor and agent lender counterparties
- A vendor or agent lender notification should include:
  1. Identity of sending firm and contact information
  2. The general nature and severity of the problem
  3. An estimate for correcting the problem
  4. Identification if this is the initial notification of the problem or an update related to a prior notification

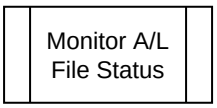
Monitoring Notifications:

- Once the broker-dealer receives e-mail notification of a problem, they should continue to monitor e-mail for updates on resolving the issue

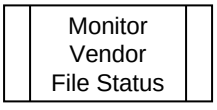
- If the sender (agent lender, vendor) does not specify an expected time for resolving the problem or has not provided an update by the time specified, the broker-dealer should call the sender using contact information provided

DTCC will send automatic notifications (through their existing crisis management system) only in the case of systemic failures. These notifications will be sent to anyone who wishes to receive them and who provides a contact email to DTCC. Any broker-dealer using a vendor who wishes to be part of this notification process should send their contact email to Margaret Koontz, mkoontz@dtcc.com

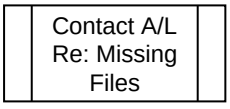
Legend



Agent lenders must produce notification and status updates of:
- problems creating loan and/or collateral file(s) that may result in no files being sent,
- delays in creating files,
- problems transmitting the loan and/or collateral file(s) to their primary recipient (EquiLend, SunGard or DTCC)



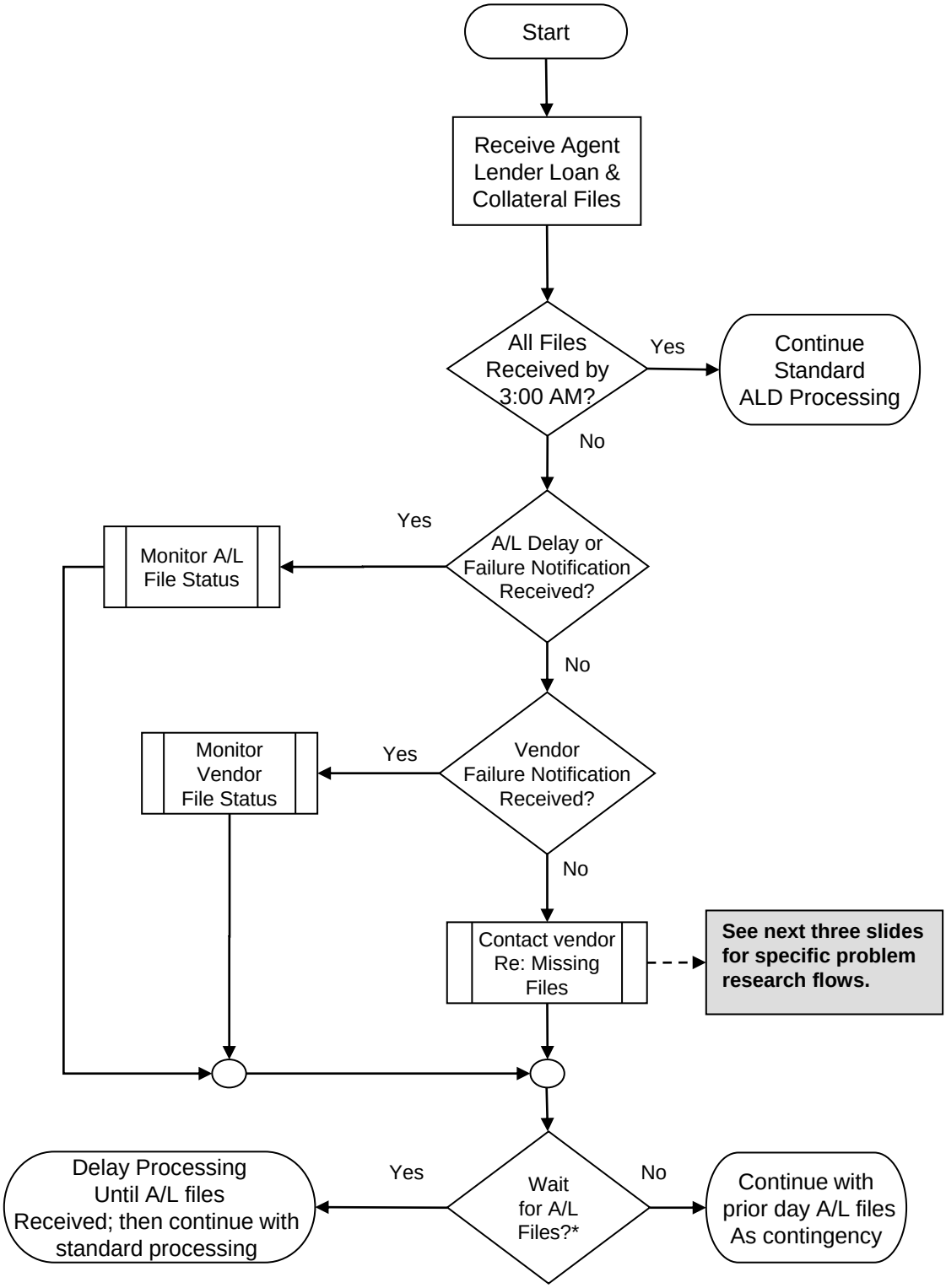
Vendors must produce notification and status updates of:
- Problems sending agent lender files to DTCC,
- Issues preventing broker-dealers from receiving files



Agent lenders should be contacted directly when no e-mail notification has been received from either the agent lender or a vendor regarding the missing files

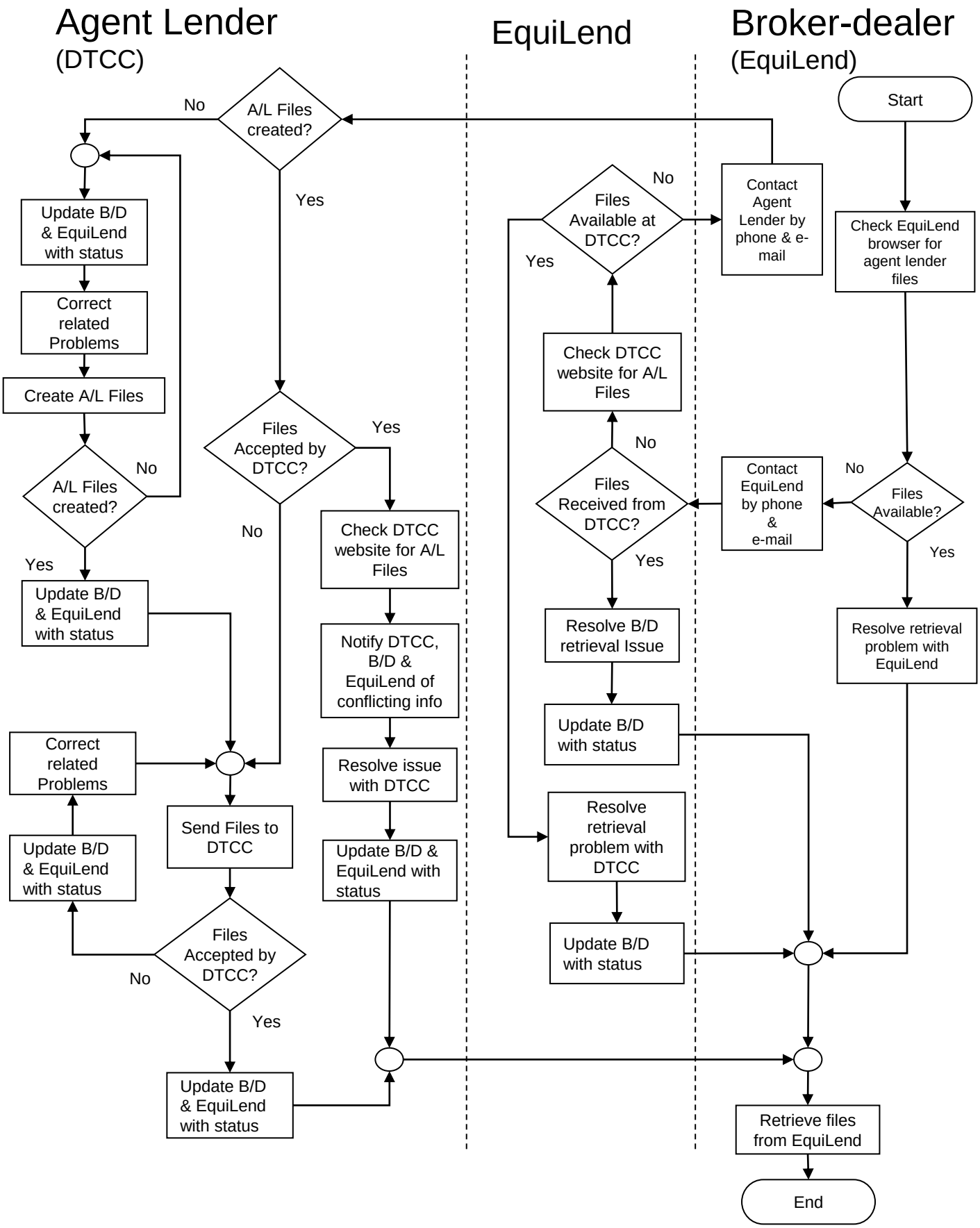
Broker-Dealer via EquiLend

Decision Making Process Flow



* Decision making process must be determined internally by each broker-dealer

Problem research flows



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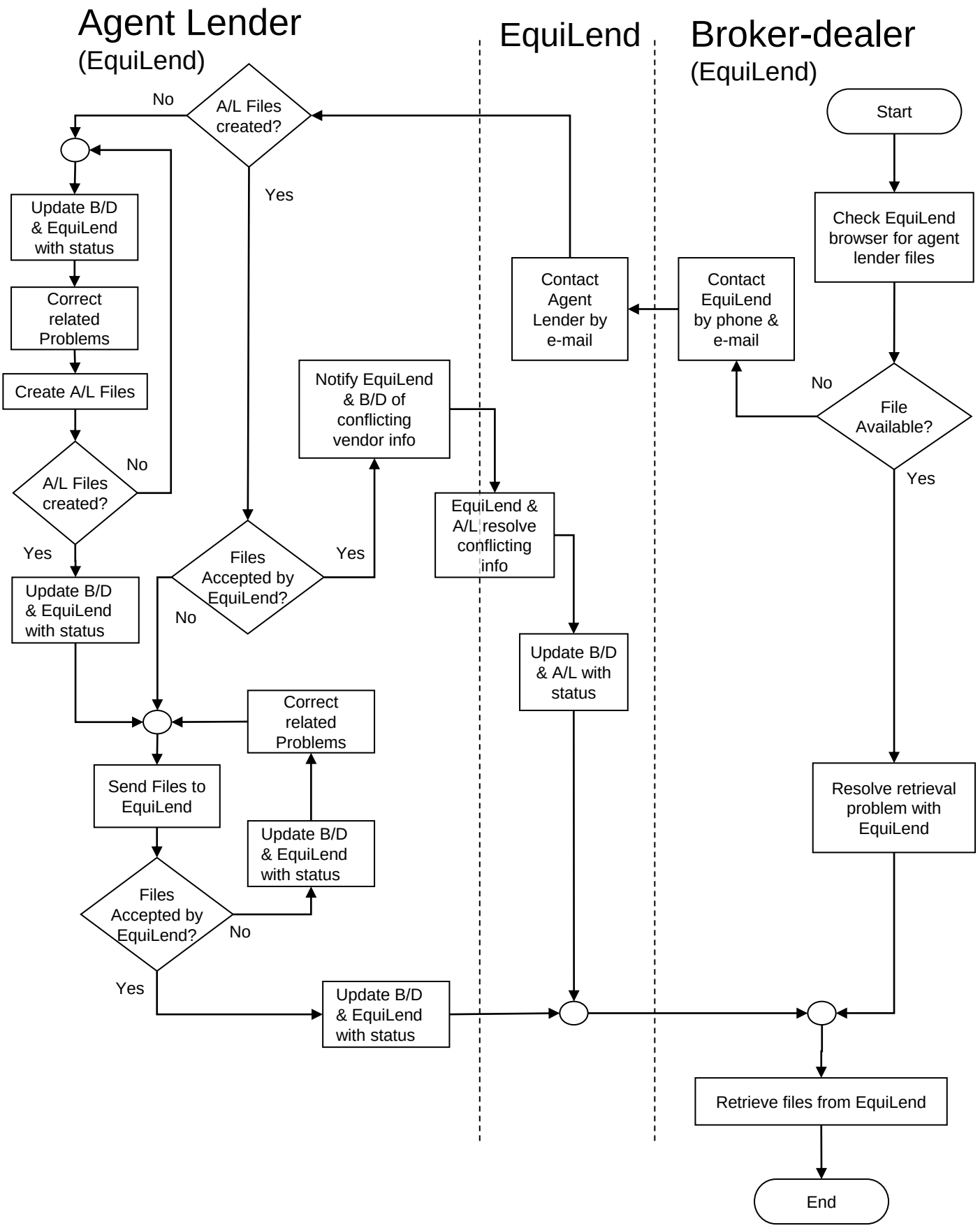
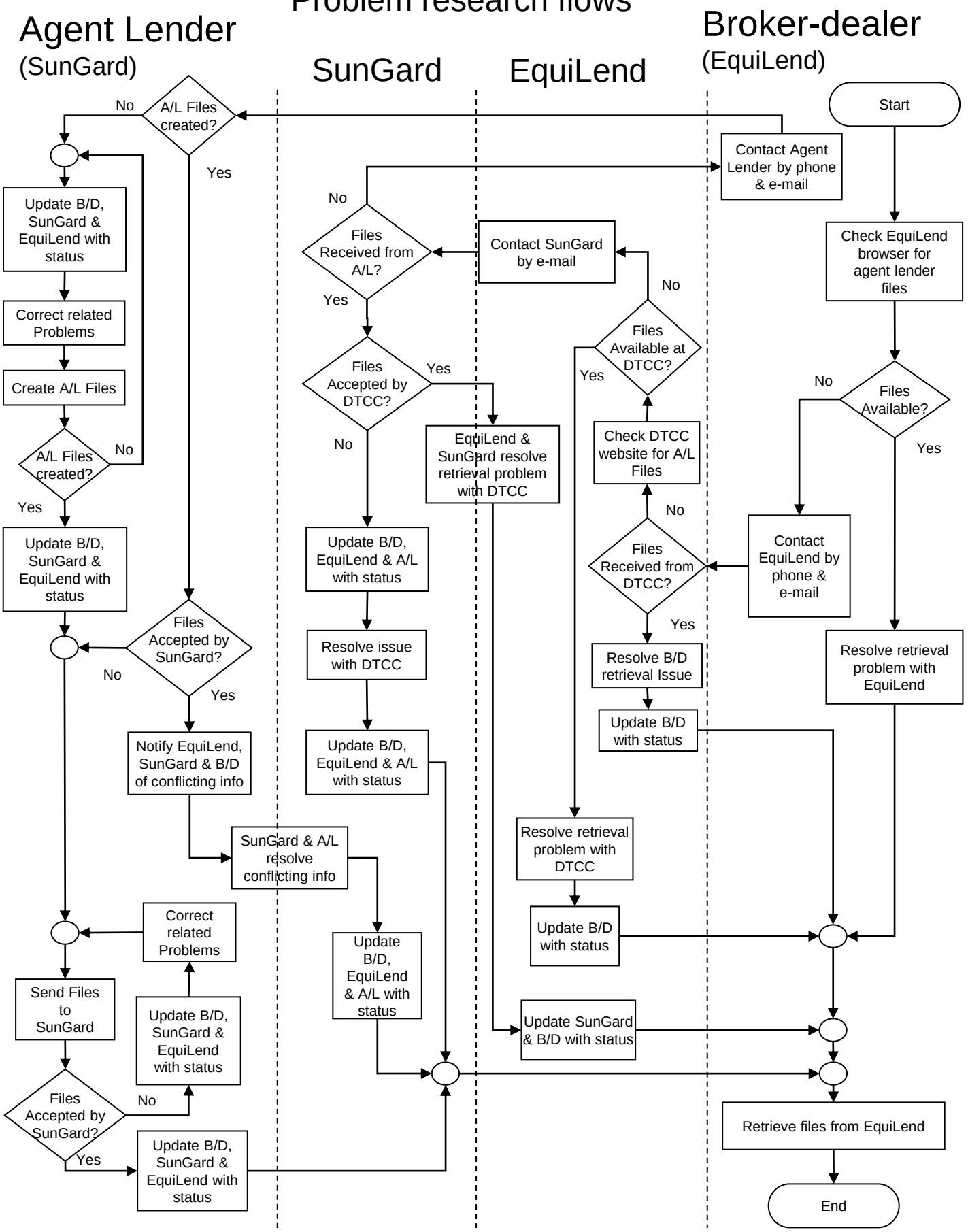


Problem research flows

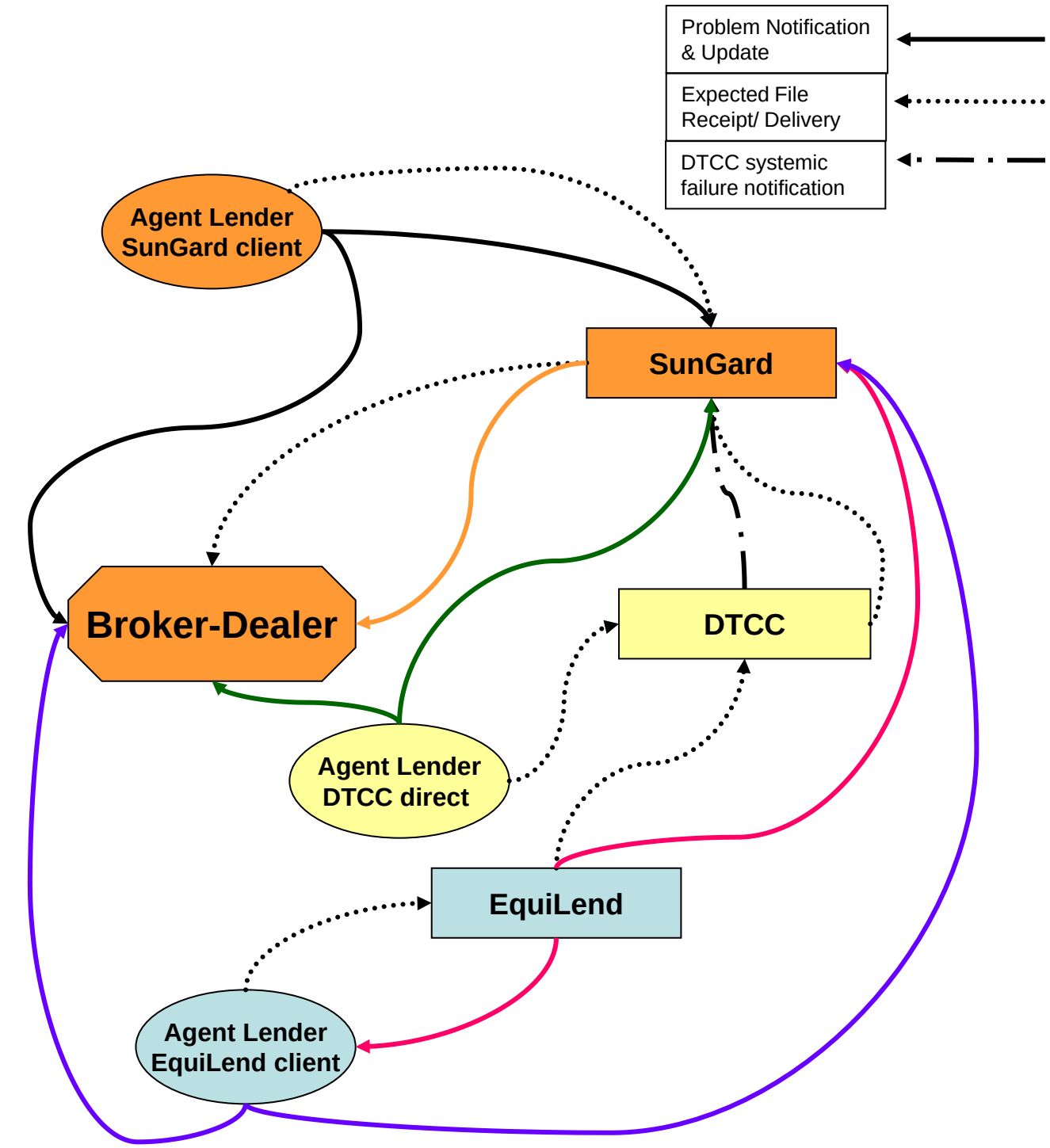


Broker-dealer using SunGard

- File and notification flow
- Process flow guidelines and legend
- Decision making process flow
- Problem research flows for B/D using SunGard:
    - Agent Lender direct to DTCC
    - Agent Lender using EquiLend
    - Agent Lender using SunGard

Broker-dealer Accessing Through SunGard

Files and Notification Flow



Broker-Dealer Daily file receipt via SunGard

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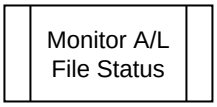

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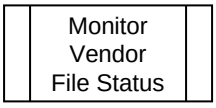

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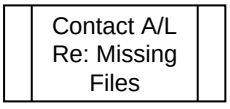

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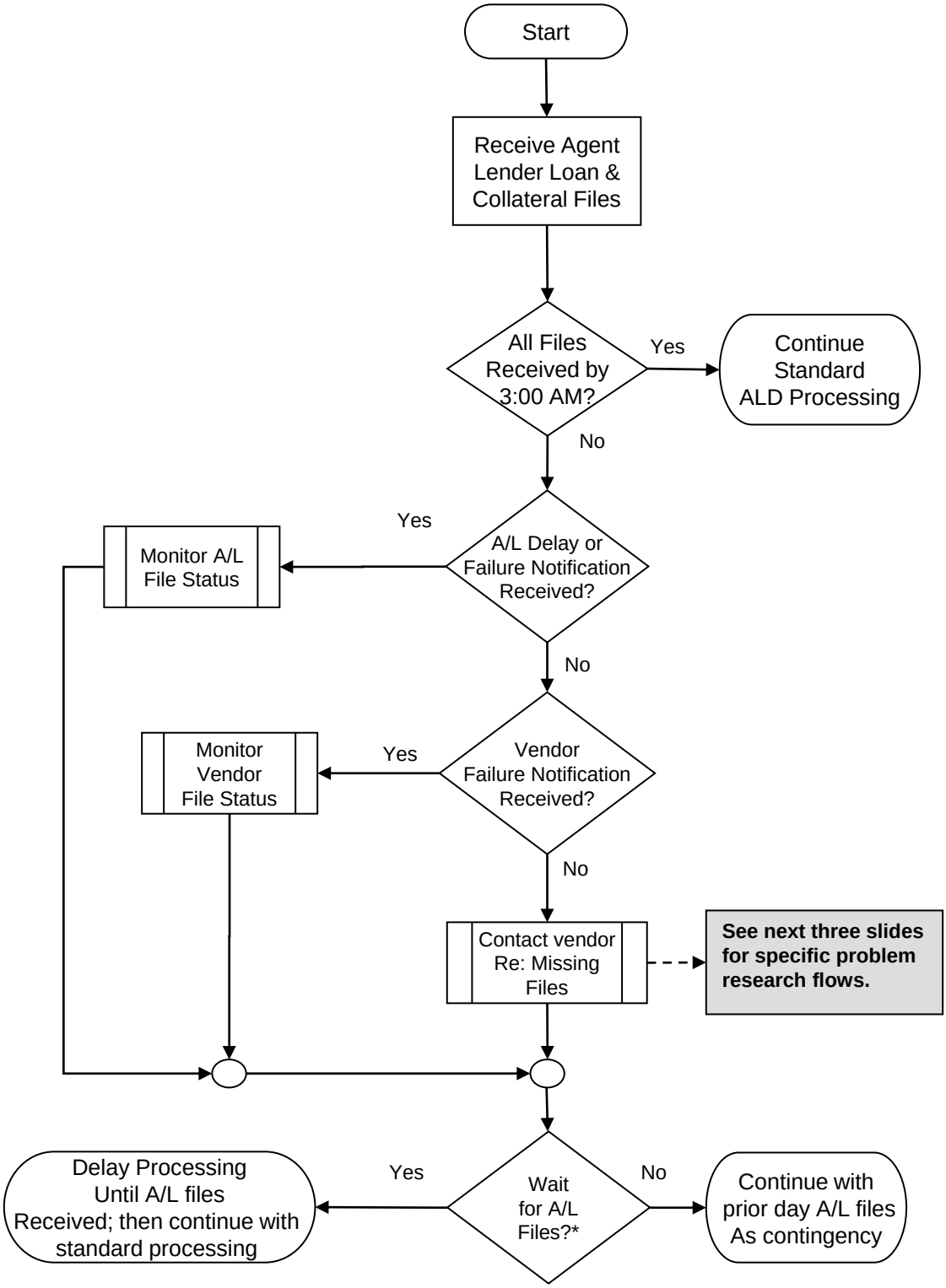
Broker-Dealer via SunGard

Decision Making Process Flow



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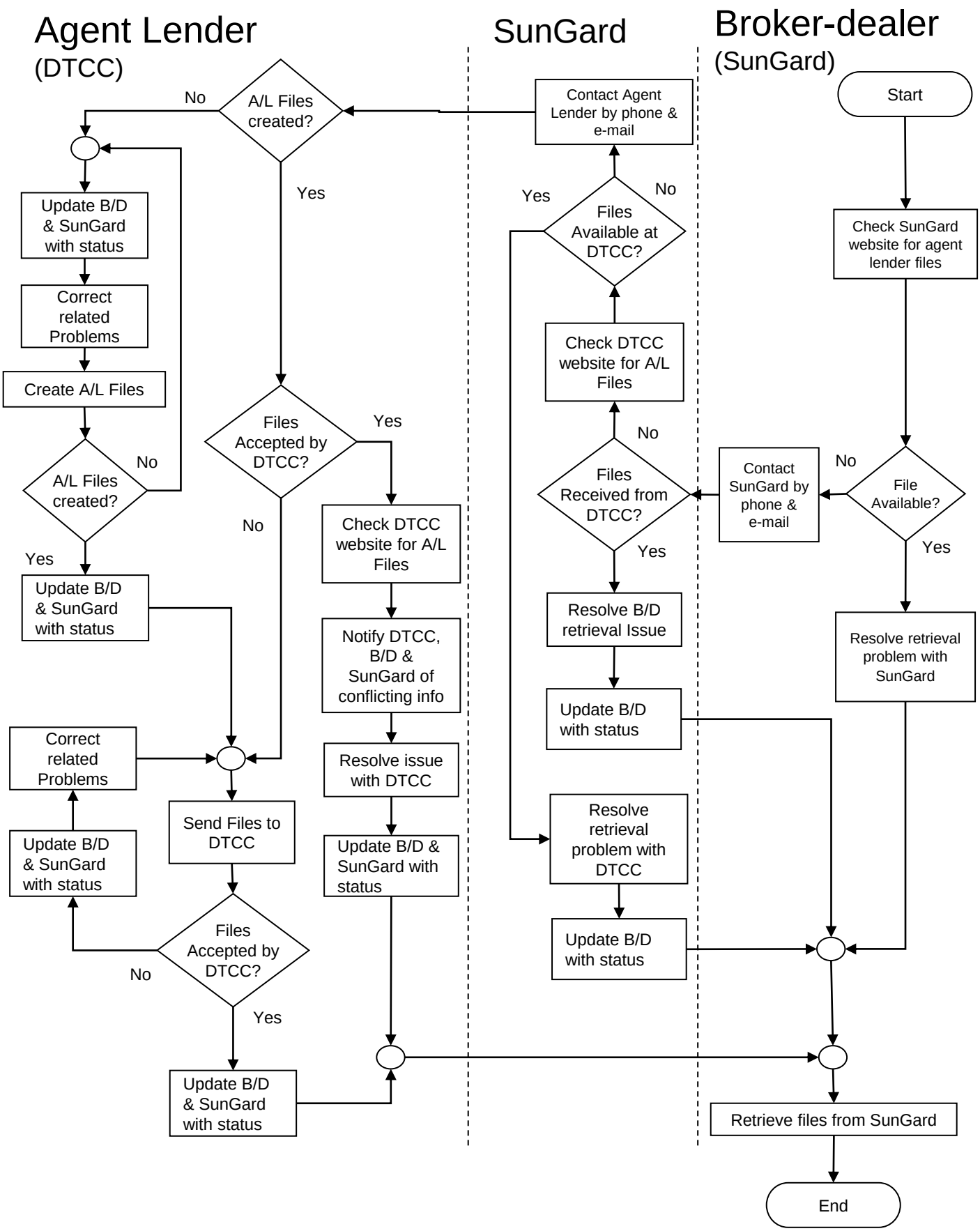
Problem research flows



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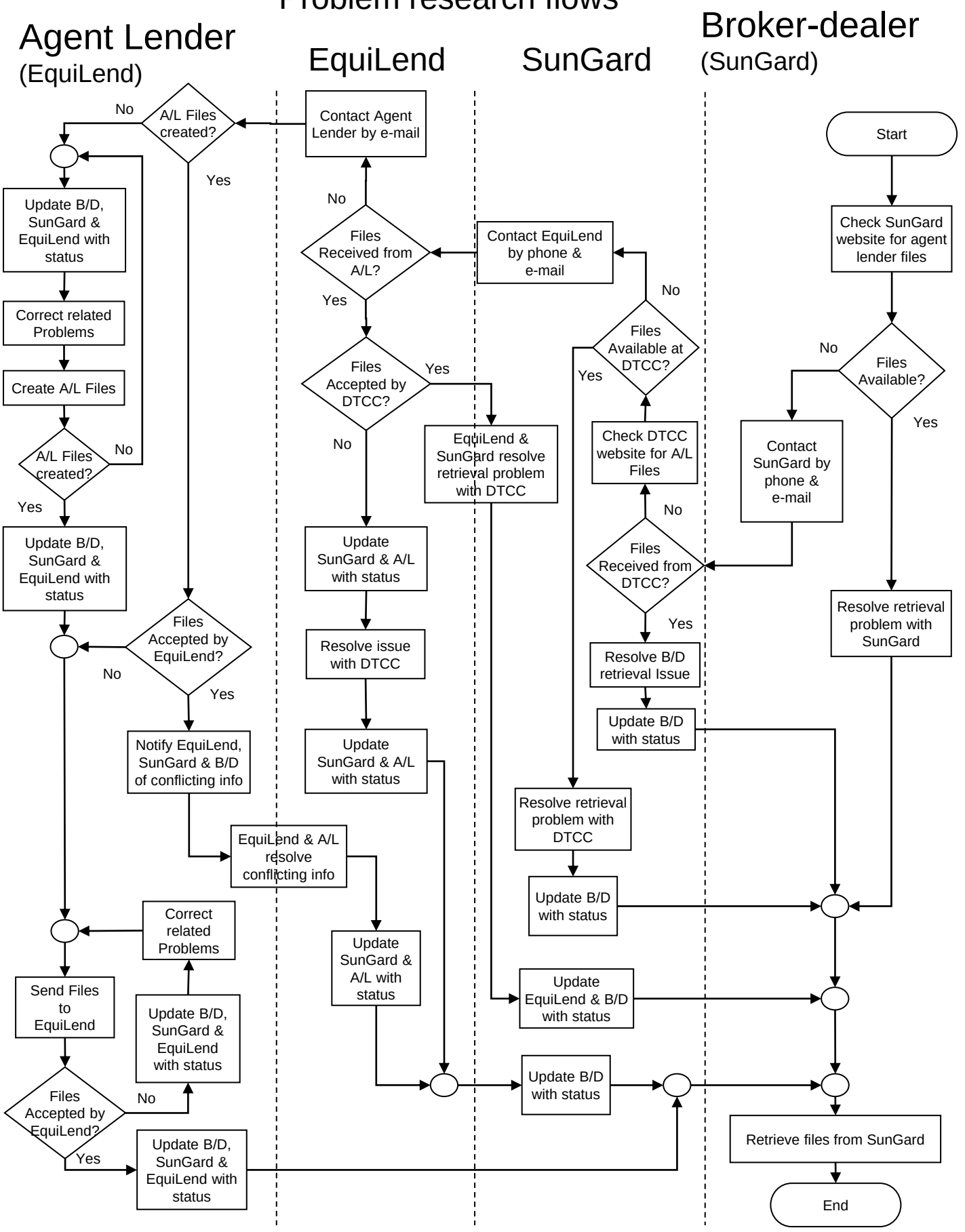

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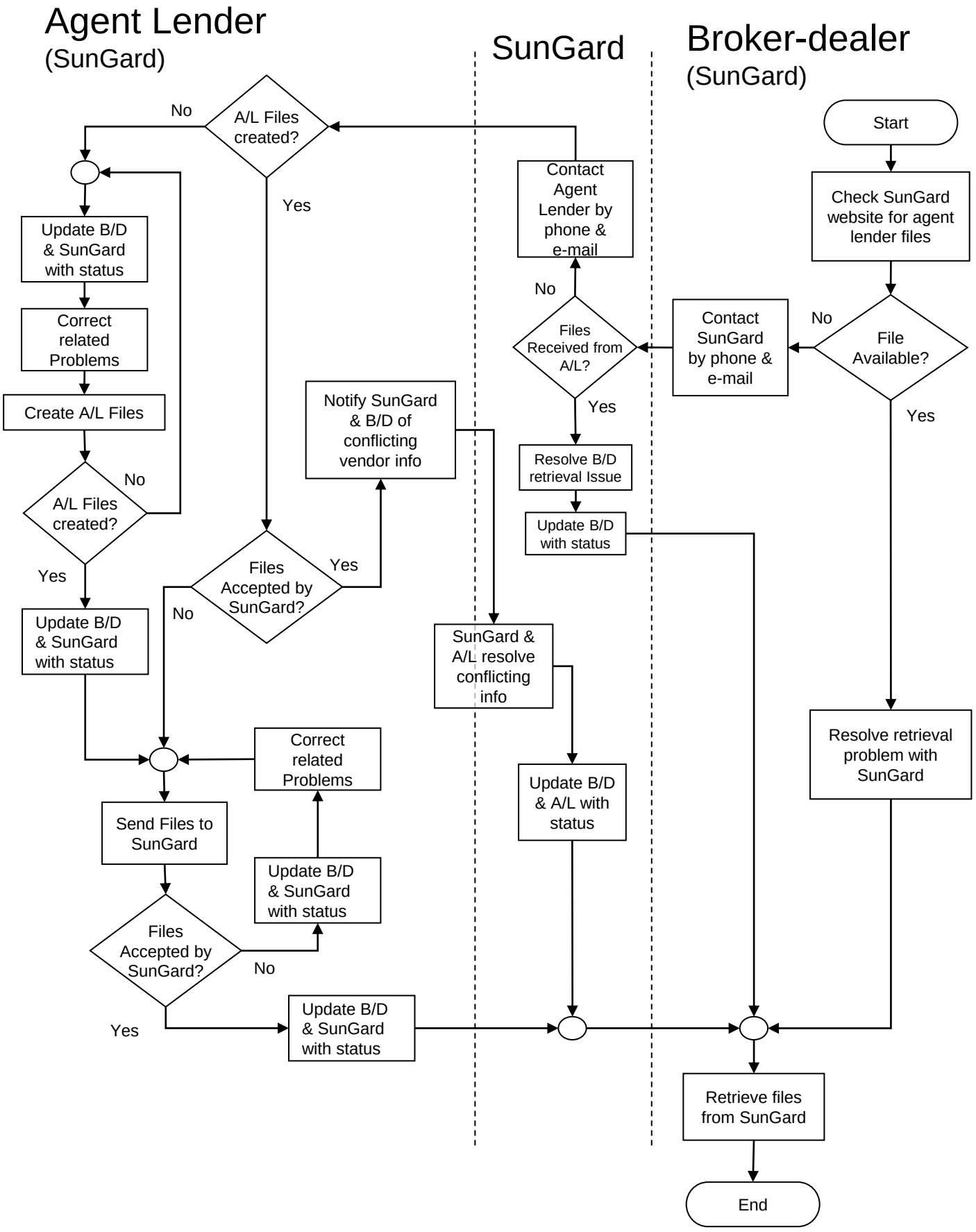

Problem Research Flows

Version 5 changes

- Changed method of EquiLend contacting agent lenders and SunGard from “phone & e-mail” to “e-mail” only on all flows as per comments from EquiLend.