

**Re: Trade Assignments – Paper vs. Electronic**

In the context of the challenges of adapting to a largely, or in some cases, total work-from-home regime in response to the pandemic, SIFMA is sending this reminder about its recommended trade assignment agreement and guidelines related to that agreement.

- Agreement: [https://www.sifma.org/wp-content/uploads/2017/08/Trade\\_Assignment\\_Agreement2003.pdf](https://www.sifma.org/wp-content/uploads/2017/08/Trade_Assignment_Agreement2003.pdf)
- Guidelines: <https://www.sifma.org/wp-content/uploads/2017/10/Guidelines-Relating-to-Trade-Assignments-of-TBA-Transaction.pdf>

In particular, one of the manual processes that has become more challenging in the WFH environment is the submission of paper trade assignments. In the normal course these are more labor-intensive than electronic trade assignments, which are available on certain trading platforms. In the WFH environment, members have noted additional challenges with these actions. One of these challenges has been the number of assignments that are submitted on 48-hour day.

Voluntary compliance with SIFMA's recommended trade assignment agreement and guidelines related to that agreement would assist in meeting these challenges. **Importantly, in the Guidelines for manual trade assignments, the market practice recommendation is that assignment forms be delivered by 72-hour day:**

***Promptly upon receipt of a Trade Assignment Agreement from the Seller, the Assignee should deliver a copy of such Trade Assignment Agreement to the Buyer; but in any event, no later than the 72-hours prior to settlement of the underlying TBA transaction.***

Electronic platform trade assignments which have grown in usage over the last few years, e.g. those that are available on Tradeweb or Bloomberg, are generally available until 48-hour day.

SIFMA developed these recommended trade assignments and other SIFMA Uniform Practices and Standard Formulas based on broad industry input and common industry practices among mortgage- and asset-backed securities market participants. Although mortgage- and asset-backed securities brokers and dealers and other market participants generally follow these practices, compliance with these guidelines is strictly voluntary.

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