



SIFMA TBA Guidelines Steering Committee ("TBASC")

Operating Procedures

Version: July 23, 2015

1) TBASC Description and Mandate

- a) The TBASC is a committee located in SIFMA's securitization group. Its mandate is to manage the TBA Good Delivery Guidelines and other aspects of the Uniform Practices Manual. This includes direct oversight, subject to the supervision of SIFMA's CEO and Board, of TBA guideline-related issues and review and oversight of changes to operational guidelines proposed by the MBS/ABS Operations Committee.

2) TBASC Membership and Participation Requirements

- a) No more than 24 member firms will be members of the TBASC. Of these, 14 may be SIFMA broker-dealer or bank member firms and 10 may be Asset Management Group ("AMG") member firms. If more than 14 full member firms or 10 AMG member firms desire to be members of TBASC, TBASC will rotate committee membership annually effective January 1 of each year.
- b) Participating member firms may nominate one committee member and one alternate to participate on the TBASC.
- c) The TBASC will have 2 co-chairs: One co-chair will be selected from among SIFMA's dealer and bank constituency, 1 co-chair will be selected from among SIFMA's investor constituency.
- d) The chair and vice-chair of SIFMA's *MBS/ABS Operations Committee* may participate as observers on the TBASC but will not have voting rights.
- e) A representative of custodian firms may participate as an observer on the TBASC but will not have voting rights.
- f) Members of the TBASC will be reminded, through email on an annual basis, of their responsibilities related to anti-trust, material non-public information, and confidentiality of TBASC discussions.
- g) Counsel for SIFMA may attend TBASC meetings as appropriate.
- h) The designated representatives of TBASC member firms, or designated alternates, are expected to attend each TBASC meeting. Firms that miss more than 2 meetings in a rolling 12-month period will be subject to removal from the TBASC.
- i) If a representative of a TBASC member moves to a new firm which is also a member of TBASC, the original firm may nominate a new representative to TBASC, and the new firm may amend its representation on the committee to reflect the addition of the new employee.

3) TBASC Meeting Schedule

- a) Meetings of TBASC will be held on an as-needed basis. Meetings may be convened in-person or via teleconference.
- b) Formal agendas, minutes and attendance will be recorded in writing and tracked for all meetings.

4) TBASC Agendas

- a) Agenda items may be proposed by committee members, by SIFMA staff, by non-member market participants, or by a government entity having authority relevant to the work of the Committee. The final agenda will be determined by SIFMA staff in consultation with the TBASC co-chairs.
- b) The TBASC may seek written feedback on potential changes, as appropriate, from relevant government, industry, and/or other constituencies. In addition, as appropriate and as determined on a case-by-case basis, TBASC may solicit or obtain economic or other analyses relevant to a proposed agenda item.
- c) Technical issues (e.g., changes to minor operational guidelines related to clearance and settlement) may be addressed through a negative consent process. SIFMA staff, in consultation with the TBASC co-chairs, will determine if an issue is properly handled via a negative consent process. If such a determination is made, the item will be distributed by email to the designated representative and designated alternate of each TBASC member unless a TBASC member requests that the proposed rule change be placed on a meeting agenda for consideration and a vote in accordance with the procedures in section 5(c).

5) TBASC Decision-making Process

- a) A quorum is required for the Committee to vote on an issue. A quorum is defined as attendance by representatives of 50% of TBASC member firms.
- b) Voting on an issue will be held open for a 24-hour period unless the TBASC co-chairs determine in their sole discretion, prior to the commencement of the voting period, that a longer or shorter timeframe is appropriate.
- c) A simple majority of participating voters shall be sufficient to adopt a proposal as a recommendation of the TBASC.
 - i) In the event of a tie, a proposal will be deemed not adopted.
 - ii) Voting will be conducted via email or other means.
 - iii) Each firm will have one vote.
 - iv) SIFMA staff members will count the votes.
 - v) Each firm's individual vote will be permanently held in confidence by the SIFMA staff conducting the vote, unless otherwise required by law.
- d) Modifications to criteria related to the collateral eligible for, or the structure of, TBA-eligible securities generally will be implemented with an effective date no sooner than three months from the date that the modification is finally approved in accordance with the provisions of section (5).
 - i) The TBASC may recommend an acceleration of the effective date when extenuating circumstances so require.
- e) Results of Steering Committee votes will not be disclosed to committee members until otherwise made public.

6) Elevated Review of TBASC Recommendations

- a) SIFMA's CEO will review any recommendation adopted by the TBASC and may recommend that it be further reviewed by SIFMA's Board of Directors.
- b) This elevated review will take place as soon as possible after TBASC issues a recommendation.

7) Compliance and Annual Review

- a) On an annual basis, SIFMA's Office of the General Counsel will review Steering Committee activities for compliance with these Operating Procedures.
- b) The results of this review will be memorialized in a memorandum to file.
- c) Any instance of material non-compliance with these Operating Procedures will be reported to SIFMA's Board to the extent that issues are not promptly resolved by Staff.

8) Transparency

- a) These Operating Procedures will be published on SIFMA.org.
- b) The names of member firms of the TBASC will be posted on SIFMA.org.
- c) Meeting dates and agendas will be posted on SIFMA.org in advance of TBASC meetings.
- d) A summary of actions taken at TBASC meetings will be posted on SIFMA.org along with explanatory information concerning any change to the Uniform Practices Manual.