

# THE DEPOSITORY TRUST COMPANY

## IMPORTANT

B#: 2721-07

DATE: December 17, 2007

TO: ALL PARTICIPANTS

FROM: Denise Russo, Director, Product Management

ATTENTION: Managing Partner/Officer; Cashier, Operations  
Data Processing and Underwriting Managers

SUBJECT: **Underwriting System –Updated Implementation Plan**

Important Notice B# 2294-07, dated September 28, 2007 announced that DTC was in the process of reformatting the web screens for the new underwriting application and that the system would go live for external users in April, 2008. In order to make the transition process more manageable, especially for customers who have multiple products to underwrite, DTC will transition municipal issues first, subject to SEC approval, in April 2008, and corporate issues (including Corporate debt, Retail CDs, Structured debt, and Equities) not until the fourth quarter of 2008.

Although the external go live date was delayed, internally UW SOURCE went into production in October 2007. While the front end web screens are being redesigned, the back end functionality remains relatively unchanged. Having internal staff use UW SOURCE to set up new issues has enabled DTC to further test the system's functionality, minimizing difficulties external users might experience during their testing.

DTC has been working to ensure that the new web application meets customer needs in its usability and navigation. To achieve that end, DTC has been meeting with municipal underwriting firms on the new screen formats, as well as flow and content. A prototype of the new application is currently under review and usability tests are being conducted. Once these tests are concluded, DTC will host webinars to demonstrate the application to the entire municipal underwriting community. An updated e-learning training program will also be made available.

Beginning in February 2008, DTC will open its test region to municipal firms to test the new web application, as well as any firm or vendor planning on utilizing the automated feed functionality. DTC will keep its test region open for firms to use through May, 2008. During this time firms will be expected to test all municipal issue types that they

underwrite, as well as the method of input to DTC they are planning to use once we go live (web or autofeed). Firms will need to populate the full set of required data needed in order to close the issue at DTC. This includes the data required for trade eligibility (the New Issue Information Dissemination System or “NIIDS”, data) as well as the data required for settlement eligibility.

DTC expects to open UW SOURCE to external users in April 2008. At that time, users will have the option of relying on the new system or continuing to use the current functionality -PUND, WUN and paper questionnaire. Beginning on June 1, 2008, users will be required to submit their new municipal issues through UW SOURCE. The MSRB has submitted a filing to the Securities and Exchange Commission mandating the use of NIIDS, effective June 30.

The schedule below details the important dates for the municipal implementation. Please review the schedule so that you are aware of what is coming and can take the necessary steps to ensure readiness for the new system.

### **Municipal Implementation Schedule**

#### ***December, 2007***

- Usability tests conducted of new web design
- Revised message specifications and schemas released to all autofeed firms for both inbound and outbound messages

#### ***January, 2008***

- Webinars conducted to introduce new screens to municipal underwriters in preparation for testing
- Test plan distributed via Important Notice
- Preliminary test with select vendors and DTC on revised auto feed specifications

#### ***February, 2008***

- Begin external user acceptance testing with initial group of selected underwriters

#### ***March, 2008***

- Open testing to all municipal underwriters

#### ***April, 2008***

- UW SOURCE in production for external users (OPTIONAL)
- PUND, WUN and paper questionnaire accepted for eligibility
- Notice distributed to street on “Corporate” Implementation schedule

#### ***May, 2008***

- Firms continue testing

#### ***June, 2008***

- UW SOURCE required for all municipal issues

- PUND, WUN and paper questionnaire no longer accepted for municipal eligibility
- PUND, WUN and paper questionnaire continue to be accepted for all corporate issues

DTC will send updates on the efforts described above in the next couple of months.  
Questions on the underwriting redesign should be addressed to Denise Russo at 212-855-3731 or [drusso@dtcc.com](mailto:drusso@dtcc.com)