

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#: 7660

DATE: August 18, 1999

TO: Participants, Pledgees and Interested Parties

FROM: Settlement Department

ATTENTION: Operations Manager/Cashier

SUBJECT: Enhancements to the PTS Function Collateral Loan Services (COLL)

On August 19, 1999, the PTS function "Collateral Loan Services" (COLL) will be enhanced to provide Participants with additional functionality. These enhancements were developed with the help of Participants. The enhancements described herein increase the options available to pledgors and pledgees.

Pledgor and Pledgee menu "Primary Collateral Loan Menu Screen"

The Primary Collateral Loan Menu Screen will be enhanced to include a historical option. Option 3, "COLL Historical (PART Option 5)" will allow a user to access 60 business days of historical information, which is also currently available on the PTS function Participant Activity Research Tool (PART).

Pledgor Services Menu

The Pledgor Services Menu will change as follows:

- C The current option 2, "Free Release Request" and option 4, "Valued Release Request" on the Pledgor Services Menu will both be included in option 4. The new option 4, "Free/Valued Release Request: (details entered by pledgor)" will allow the pledgor to input valued and free release requests on the same screen versus using the former options. The default for this screen is a free release request. Please note that you must enter a loan value to process a valued release request.

- C Option 2 will become “Free/Valued Release Request: (details pre-loaded)” and will display the pledgor’s open pledges as of the end of the previous business day, with some minor exceptions. (See the attached PTS procedures for details.) The new option 2 will allow the following:
 - C The user will be able to process a free or valued release request from the screen (by inputting an “R” next to the item) rather than keying each item free form, as in the former Free Release Request option (option 2) or the Valued Release Request option (option 4). Please note that for valued release requests processed from the new option 2, the user must tab over to the “Loan Value” field and enter a dollar amount or the release request will be processed free.
 - C The user may process a release request for the entire position displayed or choose to process a partial release request. The remaining position will be displayed when you re-enter the function at a later time.
 - C The user may select an item and view further details of the pledged position, such as loan date, activity date and pledgee number, by inputting an “S” next to the item.
 - C The user may select certain criteria to narrow its selection, such as: items pledged to a particular pledgee, items pledged with a specific loan date, or items that were pledged on a specific activity date, i.e., business date.

Pledgee Services Menu

The Pledgee Services menu option 5 “ Release Approval (free and valued)” will be enhanced as follows:

- C The user may sort release requests in ascending or descending order based on the market value of the security.
- C The user may limit the items displayed by indicating Greater Than (GT) or Less Than (LT) a specific market value.
- C The top of the screen will display the total market value of all outstanding release requests.

Attached herein are the revised PTS procedures for the function COLL. Questions regarding this notice may be directed to Linda Shackleton, Supervisor at (212) 855-5905 or your Account Relationship Manager.

John Kiechle
Director
Settlement

Attachment



3.03.2 How To Access The Primary Collateral Loan Service Menu Screen

<u>Step</u>	<u>Action</u>
Step 1	Obtain the Primary Collateral Loan Menu Screen (Figure 1).

```
X$VC/COLL          PRIMARY COLLATERAL LOAN MENU SCREEN          MM/DD/YY
00002199-07                                             HH:MM:SS

1) REGULAR COLLATERAL LOAN SERVICES
2) FEDERAL RESERVE BANKS PART/NON-PT SERVICES
3) COLL HISTORICAL (PART OPTION 5)

SELECT DESIRED OPTION:
```

Figure 1. Primary Collateral Loan Menu Screen

- | | |
|--------|---|
| Step 2 | Select one of the following options: <ul style="list-style-type: none">• 1: Regular Collateral Loan Services• 2: Federal Reserve Banks Part/Non-Pt Services• 3: Coll Historical (PART Option 5) |
| Step 3 | Press either: <ul style="list-style-type: none">• 'ENTER' key to obtain the applicable screen.• 'PF8/20' key to change the function. |



3.03.3 How To Access Regular Collateral Loan Services

Step	Action
Step 1	Select Option 1 (Regular Collateral Loan Services) from the Primary Collateral Loan Menu Screen (Section 3.03.2, Figure 1) and press the 'ENTER' key to obtain the Collateral Loan Services Screen (Figure 1).

```
X$VC          COLLATERAL LOAN SERVICES          MM/DD/YY
00002199-07                                     HH:MM:SS

** PLEDGOR SERVICES **          ** PLEDGEE SERVICES **

1) FREE PLEDGE                    5) RELEASE APPROVAL (FREE AND VALUED)
2) FREE/VALUED RELEASE REQUEST:   6) FREE RELEASE RETURN
   (DETAILS PRE LOADED)
3) VALUED PLEDGE                  7) VALUED RELEASE RETURN

4) FREE/VALUED RELEASE REQUEST:
   (DETAILS ENTERED BY PLEDGOR)
B) BROWSE RELEASES

ENTER SERVICE CODE:

***** *ADDITIONAL OPTIONS CLEARING CORP. (OCC) SERVICES *****
R) OPTIONS RELEASE OF DEPOSIT REQUEST
A) OCC MEMBER RELEASE OF DEPOSIT AUTHORIZATION
C) OPTIONS RELEASE OF DEPOSIT BROWSE
```

Figure 1. Collateral Loan Services Screen

Step 2	Select one of the following on the Collateral Loan Services Screen:
	<ul style="list-style-type: none">• Pledgor Services:<ul style="list-style-type: none">- 1: Free Pledge- 2: Free/Valued Release Request (Details Pre-Loaded)- 3: Valued Pledge- 4: Free/Valued Release Request (Details Entered by Pledgor)• Pledgee Services:<ul style="list-style-type: none">- 5: Release Approval (Free and Valued)- 6: Free Release Return- 7: Valued Release Return



3.03.3 How To Access Collateral Loan Services *(continued)*

- Pledgor/Pledgee Service:
 - B: Browse Releases
- OCC (Options Clearing Corporation) Services:
 - R: Options Release of Deposit Request
 - A: OCC Member Release of Deposit Authorization
 - C: Release of Deposit Request Browse

General PF Keys:

- 'ENTER' key to pre-edit.
- 'PF1/13' key to update transactions.
- 'PF7/19' key to return to the previous screen.
- 'PF8/20' key to change the function.
- 'PF9/21' key to end the processing session.

Note: The Release Approval and Browse Screens have additional PF keys. Refer to the appropriate sections for further information.



3.03.3.2 How To Make A Free/Valued Release Request Using Pre-Loaded Details

Step	Action
Step 1	Select Option 2 (Free/Valued Release Request, Details Pre-Loaded) on the Collateral Loan Services Screen (Section 3.03.3, Figure 1).
Step 2	Press the 'ENTER' key to obtain the Free/Valued Release Request, Details Pre-Loaded Screen (Figure 1).

```

MENU  HELP
X$VC/COL3      THE DEPOSITORY TRUST COMPANY      MM/DD/CCYY
00002199 - 07  FREE/VALUED RELEASE, DETAILS PRE-LOADED  HH:MM:SS
=====
PLEDGOR: 2199      PLEDGEE:
LOAN DATE:        ACTIVITY DATE:
RELEASE TYPE:     CNS: FROM EOD POS. - RELEASE REQUESTS
R/S QUANTITY     CUSIP   LOAN VALUE  P/P  .....C O M M E N T S.....
1)
2)
3)
4)
5)
6)
=====
ENTER :PRE-EDIT  PF1/13 :UPDATE  PF2/14 :HELP   PF7/19 :MENU
PF8/20:END      PF9/21 :SIGNOFF PF10/22:BWD  PF11/23:FWD

```

Figure 1. Free/Valued Release Request, Details Pre-Loaded Screen

- Step 3 Enter the following information on the Free/Valued Release Request Details Pre-Loaded Screen (when requesting a release of securities from OCC, refer to OCC Procedural Concerns, Section 3.03.1):
- Pledgor: system generated.
 - Pledgee: enter the DTC Pledgee number to whom the request is being sent and to narrow the search to a specific pledgee (*optional*). The Pledgee's associated DTC Participant number, if any, will be displayed by the system.



3.03.3.2 How To Make A Free/Valued Release Request Using Pre-Loaded Details *(continued)*

- Loan Date: enter the accounting date set up to group the CUSIP numbers together and to narrow the search, in MMDDYY format *(optional)*.
- Activity Date: enter a date to narrow the search *(optional)*.
- Release Type: enter one of the following:
 - 1: Delivery
 - 2: Substitution
 - 3: Decrease
 - 4: Release of Excess

Note: This indicates the reason for the release.

- CNS: enter 1 (Yes) to make the securities eligible for CNS processing or leave blank.
- Quantity: for debt issues, enter a maximum 9-digit maturity or principal dollar value to the nearest whole dollar, and for other issue types, enter a maximum 9-digit security quantity *(optional)*.
- P/P: enter P to prevent the pending of securities.

Note: If the Prevent Pend indicator is put on the release request, once it is approved by the pledgee, it will either make or drop immediately.

- Comments: enter a maximum of 56 characters of freeform information describing the release.

Note: DTC does not edit Comments field information.

Step 4 Press the 'ENTER' key to display a list of pledges from the previous business day's end of day position statement, minus the current day's release requests.

Step 5 Enter either of the following to the left of a selected pledge *(optional)*:

- R: to process a release request
- S: to view details.



3.03.3.3 How To Make A Free/Valued Release Request *(continued)*

Note:

1. You may process a release request for the entire position or for a part of the position. If you process a partial release request, the remaining position will be displayed when you re-display the information by re-entering search criteria or by scrolling.
2. You must enter a dollar amount in the Loan Value field for a valued release request or the release request will be processed free.

Step 6 Press either:

- 'ENTER' key to validate the data.
- 'PF1/13' key to update the record.
- 'PF2/14' key to access help.
- 'PF6/18' key to return to the previous screen from the Help Screen or the Details View Screen.
- 'PF7/19' key to return to the previous screen.
- 'PF8/20' key to change the function.
- 'PF9/21' key to end the processing session.
- 'PF10/22' key to scroll backward.
- 'PF 11/23' key to scroll forward.

Note: Tickets are generated and routed to the Pledgor and Pledgee for each pledge release request processed on the screen. Refer to the DTC Free Release Request Ticket (Figure 2).



3.03.3.4 How To Make A Free/Valued Release Request (Details entered by Pledgor)

- Step 1** **Action**
- Step 1 Select Option 4 (Free/Valued Release Request, Details Entered By Pledgor) on the Collateral Loan Services Screen (Section 3.03.3, Figure 1).
- Step 2 Press the 'ENTER' key to obtain the Free/Valued Release Request, Details ENTERED By Pledgor Screen (Figure 1).

```

MENU  HELP
X$VC/COL3          THE DEPOSITORY TRUST COMPANY          HH/MM/CCYY
00002199 - 07     FREE/VALUED RELEASE, DETAILS ENTERED BY PLEDGOR  HH:MM:SS
=====
PLEDGOR: 2199          PLEDGEE:
LOAN DATE:
RELEASE TYPE:
      QUANTITY      CUSIP      CNS:
      1)              0      LOAN VALUE  P/P  .....C O M M E N T S.....
      2)              0
      3)              0
      4)              0
      5)              0
      6)              0
=====
ENTER :PRE-EDIT  PF1/13 :UPDATE  PF2/14 :HELP  PF7/19 :MENU
PFB/20:END      PF9/21 :SIGNOFF PF10/22:BWD  PF11/23:FWD

```

Figure 1. Free/Valued Release Request Screen, Details entered by Pledgor Screen

- Step 3** Enter the following information on the Free/Valued Release Request, Details entered by Pledgor Screen:
- Pledgor: system generated.
 - Pledgee: enter the DTC Pledgee number of the pledgee to whom this request is being sent. If this is a valued release request, this number must have a DTC Participant number associated with it which will be displayed by the system.
 - Loan Date: enter the accounting date set up to group the CUSIP numbers together, in MMDDYY format.



3.03.3.4 How To Make A Free/Valued Release Request (Details entered by Pledgor) (continued)

- Release Type: enter one of the following:
 - 1: Delivery
 - 2: Substitution
 - 3: Decrease
 - 4: Release of Excess

Note: This code indicates the reason for the release.

- CNS: enter 1 (Yes) to make the securities eligible for CNS processing or leave blank.
- Quantity: for debt issues, enter a maximum 9-digit maturity or principal dollar value to the nearest whole dollar, and for other issue types, enter a maximum 9-digit security quantity.

Note: Releases of Commercial Paper are limited to \$50,000,000 quantities.

- CUSIP: enter the CUSIP number.
- Loan Value: enter the value of the release; a maximum value of 999999999.99 can be entered.
- P/P: enter P to prevent the pending of securities.
- Comments: enter a maximum of 56 characters of freeform information describing the request.

Note:

- 1 You may process both valued and free release requests on this screen. The default is a free release request.
- 2 You must enter a loan value to process a valued release request.



3.03.3.4 How To Make A Free/Valued Release Request (Details entered by Pledgor) (*continued*)

Step 4 Press either:

- 'ENTER' key to validate the data.
- 'PF1/13' key to collect data to a database.
- 'PF2/14' key to access help.
- 'PF6/18' key to return to the previous screen from the Help Screen or the Details View Screen.
- 'PF7/19' key to return to to the previous screen.
- 'PF8/20' key to change the function.
- 'PF9/21' key to end the processing session.
- 'PF10/22' key to scroll backward.
- 'PF 11/23' key to scroll forward.

Note: Tickets are generated and routed to the Pledgor and Pledgee for each request entered on the screen. Refer to the DTC Valued Release Request Ticket (Figure 2).



3.03.3.4 How To Make A Valued Release Request (Details entered by Pledgor) (continued)

o	o	00000219900-000001	DTC VALUED RELEASE REQUEST	MM/DD/YY	o	
o	o			HH:MM:SS	o	
o	o	PLEDGOR: 2199	PTS TR ACC	PTS ID: #####-##	TERMID: TY10	
o	o	PLEDGE: 2198	PTS TR AC2	LOAN DATE: 02/02/94	REL TYPE: DELIVERY	
o	o	TOTAL SETTLEMENT VALUE: \$57,333,331.00				o
o	o				o	
o	o	QUANTITY	CUSIP	LOAN VALUE	P/P COMMENTS	
o	o	1) 111,111,200	643896103	\$33,333,333,333,333.		
o	o	NENG CRITICAL CARE				o
o	o	2) 200	238125108	\$35,666,113.		
o	o	DATA SYS WR =U=*				o
o	o	3) 15	238122998	\$35,777.		
o	o	ESCROW DATASPEEDIN				o
o	o	4) 51	264147109	\$335,366. P		
o	o	NENG CRITICAL CARE				o
o	o	5) 1,999,200	257470104	\$24,444,333,333,333.		
o	o	DOMINION RESC VA				o
o	o	6) 553,200	260543103	\$333,222,113.		
o	o	NENG CRITICAL CARE				o
o	o	7) 100	261885107	\$333,333,333.		
o	o	DREYFUS CORP				o
o	o				o	

Figure 2. DTC Valued Release Request Ticket



3.03.3.5 How To Perform A Release Approval (Free and Valued)

Pledges Only

- | Step | Action |
|--------|---|
| Step 1 | Select Option 5 (Release Approval (Free And Valued)) on the Collateral Loan Services Screen (Section 3.03.3, Figure 1). |
| Step 2 | Press the 'ENTER' key to obtain the Pledgee Release Approvals (Free and Valued) Screen (Figure 1). |

```

MENU      HELP
XSVC      THE DEPOSITORY TRUST COMPANY      DATE: MM/DD/CCYY
00002199-07  PLEDGEE RELEASE APPROVALS (FREE & VALUED)  TIME: HH:MM:SS
-----
PLEDGEE:      PLEDGOR:
LOAN DATE:    APPROVE ALL ITEMS(Y):
GT/LT:  MKT VAL:      ASC/DSC:      TOT MKT VAL:      $0
APRVL  CUSIP      QUANTITY  LOAN VALUE  TYP  CNS      MARKET VALUE
          COMMENT-1          COMMENT-2
1)
2)
3)
4)
5)
-----
ENTER:PRE-EDIT  PF1/13:UPDATE  PF2/14:PLGOR COM1  PF3/15:APPRVL COM1
PF7/19:MENU     PF8/20:END     PF9/21:SIGNOFF    PF11/23:SCRL

```

Figure 1. Pledgee Release Approvals (Free and Valued) Screen

- Step 3** Enter the following information on the Pledgee Release Approvals (Free and Valued) Screen:
- Pledgee: the Pledgee number associated with your signon.
 - Pledgor: enter a valid DTC Participant number.
 - Loan Date: enter the accounting date set up to group the CUSIP numbers together, in MMDDYY format.
 - GT/LT: enter GT (greater than) or LT (less than) to limit the search to specific market values.



3.03.3.5 How To Perform A Release Approval (Free and Valued) (continued)

- Mkt Val: enter the specific market value that corresponds to the GT/LT indicator.
- Asc/Dsc: enter Asc (ascending) or Dsc (descending) to sort items in market value order.

Step 4 Press the 'ENTER' key to obtain the Pledgee Release Approvals (Free and Valued) Screen containing the unapproved release requests entered by the Pledgor in Options 2 and 4 (Figure 2).

```
MENU      HELP
X$VC      THE DEPOSITORY TRUST COMPANY      DATE: MM/DD/CCYY
00002199-07  PLEDGEE RELEASE APPROVALS (FREE & VALUED)  TIME: HH:MM:SS
=====
PLEDGER: 2198                                PLEDGOR: 2199 PTS TR ACC
LOAN DATE: 080898                            APPROVE ALL ITEMS(Y):
GT/LT:   MKT VAL:                            ASC/DSC:   TOT MKT VAL: $0

APPRVL QUANTITY  CUSIP    LOAN VALUE  TYP  CNS  MARKET VALUE
1)      200    030177109  FREE    1    AMERICAN TEL & TEL  DELIV    $0
2)      100    93001AE15  100000.00  2    $+DTCA2E1A100812BE+#  SUBST    $0
3)      2000   459200101  FREE    1    1    INTER BUSINESS MA  DELIV    $0
4)      100    459506101  FREE    1    INT FLAVRS&FRAGRANC  DELIV    $0
5)      2170   93001DE19  2170000.00  2    $+DTCA2E1A100812BE+#  SUBST    $0
=====
ENTER:PRE-EDIT  PF1/13:UPDATE  PF2/14:PLGOR COMT  PF3/15:APPRVL COMT
PF7/19:MENU     PF8/20:END     PF9/21:SIGNOFF    PF11/23:SCRL
```

Figure 2. Pledgee Release Approvals (Free and Valued) Screen displaying unapproved release requests

Step 5 Enter A (approve) or C (cancel) in the Apprvl field to approve or cancel individual transactions (line items may be skipped).

or

Enter Y in the Approve All Items field to approve all items currently displayed on the screen.



3.03.3.5 How To Perform A Release Approval (Free and Valued) (continued)

Step 6 Enter approval comments for each item approved or canceled. A maximum of 56 characters of freeform information can be entered; optional.

Note: The Pledgor's Request Comments are displayed on the screen when the 'PF2/14' key is pressed. To continue entering approval comments, press the 'PF3/15' key.

Step 7 Press the 'PF1/13' key. The message 'UPDATE COMPLETED' appears on the screen. The system automatically displays the next screen of unapproved release requests.



3.03.3.5 How To Perform A Release Approval (Free and Valued) (continued)

Note: Tickets are generated and routed to the Pledgor and Pledgee for each approved/canceled release request on the screen. Refer to the DTC Free Release Approval Ticket, DTC Valued Release Approval Ticket and DTC Release Approvals Of Matured MMI Tickets (Figures 3, 4 and 5).

```
o
o 00000219900-000001      DTC FREE RELEASE APPROVAL      MM/DD/YY
o TRANS #: 009A24-00      HH:MM:SS
o
o PLEDGEE: 2198      PTS TR AC2      PTS ID: #####-##      TERMID: TY10
o PLEDGOR: 2199      PTS TR ACC      PLEDGOR ID: 00002199-01
o
o STATUS:      M A D E
o LOAN DATE:      02/02/94
o QUANTITY:      200,000
o CUSIP:      93001DE19      $$DTCA2E1$$$$$$BE+#
o
o REQ COMMENTS: PLEDGOR'S COMMENTS
o                WILL PRINT HERE
o APPR COMMENTS: PLEDGEE'S APPROVAL COMMENTS
o                WILL PRINT HERE
o RELEASE TYPE: DELIVERY
o
```

Figure 3. DTC Free Release Approval Ticket

```
o
o 00000219900-000001      DTC VALUED RELEASE APPROVAL      MM/DD/YY
o TRANS #: 009A24-00      HH:MM:SS
o
o PLEDGEE: 2198      PTS TR AC2      PTS ID: #####-##      TERMID: TY10
o PLEDGOR: 2199      PTS TR ACC      PLEDGOR ID: 00002199-01
o
o STATUS:      M A D E
o LOAN DATE:      02/02/94
o QUANTITY:      200,000
o CUSIP:      93001DE19      $$DTCA2E1$$$$$$BE+#
o VALUE:      $200,000.00
o REQ COMMENTS: PLEDGOR'S COMMENTS
o                WILL PRINT HERE
o APPR COMMENTS: PLEDGEE'S APPROVAL COMMENTS
o                WILL PRINT HERE
o RELEASE TYPE: DELIVERY
o
```

Figure 4. DTC Valued Release Approval Ticket



3.03.3.5 How To Perform A Release Approval (Free and Valued) (continued)

Step 8 Press the 'PF11/23' key to scroll forward and skip an entire screen of transactions (no updating is performed on the skipped screen).

Note:

1. If the Participant scrolls past the desired transaction, the Participant can re-enter the Pledgor number to display from the beginning of the queue for the indicated loan date, or exit the function and select the appropriate option from the Collateral Loan Services Screen.
2. MMI securities that have matured today or earlier will be converted to a Matured Release with the maturity proceeds calculated based upon the securities being released. Matured MMI securities are highlighted on the screen and indicated by a message appearing on the screen.

```
o
o O 0000219900-000001      DTC RLSE APPRVL OF MATURED CP      MM/DD/YY o
o TRANS #: 009A24-0D      HH:MM:SS o
o
o PLEDGEE: 2198  PTS TR AC2  PTS ID:  #####-##  TERMID: TY10  o
o PLEDGOR: 2199  PTS TR ACC  PLEDGOR ID: 00002199-01  o
o
o STATUS:      M A D E  o
o LOAN DATE:   02/02/94  o
o QUANTITY:   200,000  o
o CUSIP:      93001DE19  $$DTC2A2E1$$$$$$BE+#  o
o MATD PROCEEDS: $200,000.00  o
o REQ COMMENTS: PLEDGOR'S COMMENTS  o
o              WILL PRINT HERE  o
o APPR COMMENTS: PLEDGEE'S APPROVAL COMMENTS  o
o              WILL PRINT HERE  o
o RELEASE TYPE: DELIVERY  o
o
```

Figure 5. DTC Release Approvals Of Matured CP Ticket



3.03.5 How To Access Historical Information (PART)

Step	Action
Step 1	Select Option 3 (Coll Historical (PART Option 5) on the Primary Collateral Loan Menu Screen.
Step 2	Press the 'ENTER' key. The Collateral Loan Menu Screen appears (Figure 1).

```
X$VC          COLLATERAL LOAN MENU          MM/DD/YY
00002199-07                                     HH:MM:SS
PTS TR ACC

          1  COLLATERAL LOAN CLOSING BALANCE
          2  COLLATERAL LOAN - CUSIP CLOSING POSITION
          3  COLLATERAL LOAN - ACTIVITY HISTORY

          ENTER OPTION:
```

Figure 1. (PART) Collateral Loan Menu

Step 3 Refer to PART, Section 7.11.7 of the PTS Manual for more information.