

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

- (a) The text of the proposed rule change is annexed hereto as Exhibit 5.
- (b) Not applicable
- (c) Not applicable

2. Procedures of the Self-Regulatory Organization

- (a) The proposed rule change was approved by the Board of Directors of The Depository Trust Company at the June 29, 2007 meeting of its Operations and Planning Committee.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

- (a) The purpose of the proposed filing is to amend The Depository Trust Company's ("DTC") Operational Arrangements as it applies to Structured Securities, to (i) change the deadline by which Paying Agents of such securities must submit periodic payment rate information to DTC; (ii) effective January 1, 2008, establish an exception processing fee applied to certain Structured Securities that are unable to comply with the extended deadline; and (iii) provide that DTC track and make publicly available reports on Paying Agent performance as it relates to timeliness and accuracy of payment rate information submitted to DTC in respect of Structured Securities.

Introduction

A Structured Security such as a collateralized mortgage obligation ("CMO") or asset-backed security ("ABS") is a bond backed by a pool of underlying financial assets. The underlying assets generally consist of receivables such as mortgages, credit card receivables, student or other bank loans for which the timing of principal payments by the underlying obligors may be variable and

unpredictable. The security may also incorporate credit enhancements or other rights that affect the amount and timing of payments to investors.

Communication of periodic payment rates of principal and interest (“P&I”) to the end investors in Structured Securities depends upon application of stringent time frames for information reporting and significant interdependencies among servicers of the underlying assets, trustees, custodians, and Paying Agents on the securities, DTC, and the financial intermediaries that act on behalf of the investors. Given the complexity of structure and calculations of cash flow from the underlying assets through the issuer to the end investor, and the interdependencies on timeliness and accuracy of performance throughout the chain of servicers and intermediaries, timely and accurate submission of payment rate information on Structured Securities is a significant problem to the financial services industry and to end investors. Payment rates are announced late on a significant number of these issues, and the number of post-payable adjustments needed to correct inaccurate payments due to inaccurate rates is higher than for any other security type. Incorrect and late payment rate reporting cause increased operations processing costs, inefficient cash management, and loss of income.

The volume of P&I payments for Structured Securities processed through DTC has grown rapidly in recent years and currently represents approximately 25% of all P&I payments processed through DTC. With this growth, the late and inaccurate notifications of payment rates have become major and increasing concerns.

Accordingly, DTC formed a cross-industry working group (consisting of representatives from the Securities Industry and Financial Markets Association (SIFMA), major Paying Agents, servicers and master servicers, underwriters, and major retail and institutional broker/dealers and custodians) to study the severity of the P&I processing problems of Structured Securities and to analyze possible solutions. In its analysis, the working group studied the payment rate reporting history of all Structured Securities, noting factors such as Paying Agent and type of deal structure. It was determined that extending the date by which Paying Agents must submit rate information to DTC will allow a greater number of

Structured Securities to meet DTC's requirements and thus be eligible for DTC services. It was also concluded that there is a significant subset of Structured Securities for which the Paying Agent may not be able to comply with even an extended timeframe for delivery of payment rate information, because of features inherent in the structure of the security issue. It was determined that these securities should be expressly identified and handled as issues that require exception processing, and that Paying Agent rate reporting performance on all Structured Securities should be evaluated and made publicly available to participants and other relevant parties. Accordingly, DTC proposes to implement the changes set forth below.

Proposed Amendment to Operational Arrangements

DTC's "Operational Arrangements Necessary for an Issue to Become and Remain Eligible for DTC Services" (the "Operational Arrangements" or "OA") governs the eligibility of issues for deposit at DTC and the obligations of the issuer and its agents regarding servicing of the issue thereafter. With respect to notification on issues that pay P&I periodically or that pay interest at a variable rate, the OA requires that the Paying Agent on the security provide payment rate information to DTC preferably five business days, but no fewer than two business days, prior to the payable date.

(i) Extending the Deadline for Reporting on Payment Detail

As it has become apparent that the majority of Structured Securities could not adhere to the current rate reporting deadline in the Operational Arrangements, DTC proposes to amend the Operational Arrangements to require that the payment notification in respect of Structured Securities be provided to DTC by the Paying Agent preferably five business days but no less than one business day prior to the payable date, rather than the current deadline of two business days prior. In addition, DTC will extend its current processing deadline for receipt of payment rate files from the current cut-off time, 7:00 PM, to 11:30 PM. The additional time is expected to allow Paying Agents to provide rates in a timely

and accurate fashion for a majority of Structured Securities issues, permitting the securities to remain eligible for DTC's services, while providing DTC adequate time to process the information without delaying payment by DTC to its participants.

(ii) **Securities Classifications**

Due to the complexity of certain Structured Securities, it is anticipated that certain issues will not be able to meet the amended OA requirement for timely payment rate reporting, even with the extended reporting period. Therefore, DTC proposes to distinguish between two classes of Structured Securities: "conforming" and "non-conforming". Non-conforming Structured Securities are issues for which the issuer and Paying Agent have concluded that the security has features that will preclude the Paying Agent from likely submitting rate information to DTC in conformity with the requirements of the Operational Arrangements. This identification of an issue as conforming or nonconforming will be made at the time the security is made eligible at DTC. For each underwriting of Structured Securities that the issuer and Paying Agent has identified as non-conforming, the issuer and Paying Agent will submit a written attestation indicating the reason for non-conformance. DTC will in turn identify non-conforming Structured Securities to participants and other relevant parties, and will add an indicator to the appropriate DTC systems functions to denote non-conforming securities. Paying Agents will be required to evaluate their entire portfolio of Structured Securities on deposit at DTC to identify non-conforming securities that have previously been made eligible at DTC. Although approximately 15% of Structured Security issues currently fail to have rates submitted to DTC in a timely manner, it is estimated that approximately half of these actually have structural impediments to meeting the requirements (i.e., "non-conforming"). Failures in timely rate reporting in other instances are believed to be curable by improved servicing and reporting on the securities.

(iii) *Exception Processing Fee applicable to Non-conforming Securities*

Securities processing inefficiencies and rate inaccuracies associated with late payment rate reporting lead to increased costs associated with non-conforming Structured Securities. In order to recoup the increased processing costs, effective January 1, 2008, DTC proposes to impose an exception processing fee to the managing underwriter of the non-conforming issue at the time of underwriting. No fee will be charged retroactively on issues already at deposit at DTC prior to the implementation of the fee.

The exception processing fee will be calculated based upon anticipated excess costs of Structured Securities P&I processing. Based on estimates derived from 2006 costs, the attestation fee would be approximately \$4,200 per CUSIP. The fee applicable for 2008 would reflect more current costs and be modified accordingly. The amount of the fee would be presented to DTC's Board of Directors for approval and filed with the SEC as part of DTC's annual establishment of fees, and modified in accordance with DTC's standard procedures for modification of fees.

Annually, the aggregate net amount of the exception processing fees will be allocated and rebated, pro-rata, to the DTC participants for whom DTC processed Structured Securities P&I allocations. The total number of allocations would be calculated for each participant as a percentage of total annual allocations by DTC and that percentage would be applied against the total exception processing fund and rebated to each participant. The total exception processing fund would be calculated as the sum of all exception processing fees less DTC's cost to administer the program.

(iv) *Evaluation and Publication of Paying Agent Performance*

DTC proposes to track and evaluate performance by each Paying Agent with regard to timeliness and accuracy of payment rate reporting on Structured Securities, and to make Paying Agent performance evaluations available to DTC participants and the public. The purpose is to identify poor payment and reporting performance for which a Paying Agent should be able, based on its attestation, to

correct any underlying servicing issues associated with the payment and information flows.

DTC plans to expand evaluation reports (Paying Agent “report cards”) that are currently used to compare rate submission performance and accuracy of Paying Agents for Structured Securities. This Report Card is currently only distributed among the Paying Agents being compared; as proposed, the Report Card will be available on DTC’s website. The Report Card tracks and reports on performance for a given month, by agent, with respect to the number of CMO and ABS announcements processed, the number of late and amended announcements, the payment dollars, late payment dollars, and the number of payments and late payments. Timeliness of payment rate notification on non-conforming Structured Securities will not be included in the proposed Paying Agent performance evaluation, based on the Paying Agent’s attestation that it is a non-conforming issue, subject to an exception processing fee. The other factors will be included with respect to both conforming and non-conforming securities.

(b) Altering the Operational Arrangements to allow Paying Agents additional time in which to calculate payment rates will allow more issues of Structured Securities to be eligible at DTC. Identification of issues that cannot meet the extended reporting deadlines, and reporting on Paying Agent performance, will allow the industry to anticipate processing inefficiencies associated with certain Structured Securities issues. Imposition of an exception processing fee on Structured Securities that cannot meet processing deadlines due to deal structure will shift the expense associated with these securities to the underwriters and issuers that create the structure. This will remove impediments to, and perfect the mechanism of, a national system for the prompt and accurate clearance and settlement of securities transactions. The proposed rule change is therefore consistent with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

4. Self-Regulatory Organization’s Statement on Burden on Competition

DTC does not believe that the proposed rule change will impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

No written comments relating to the proposed rule change have been solicited or received. DTC will notify the Securities and Exchange Commission of any written comments received by DTC.

6. Extension of Time Period for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

(a) Not applicable

(b) Not applicable

(c) Not applicable

(d) Not applicable

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit 1 – Notice of the proposed rule change for publication in the Federal Register.

Exhibit 2 – N/A

Exhibit 3 – N/A

Exhibit 4 – N/A

Exhibit 5 – Proposed amendments to the Operational Arrangements.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2007-11

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company (“DTC”) relating to changes as it applies to structured securities.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, DTC filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The text of the proposed rule change is attached hereto as Exhibit 5.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

The purpose of the proposed filing is to amend The Depository Trust Company’s (“DTC”) Operational Arrangements as it applies to structured securities, to (i) change the deadline by which paying agents of such securities must submit periodic payment rate information to DTC; (ii) effective January 1, 2008, establish an exception processing fee applied to certain structured securities that are unable to comply with the extended deadline; and (iii) provide that DTC track and make publicly available reports on paying agent performance as it relates to timeliness and accuracy of payment rate information submitted to DTC in respect of structured securities.

Introduction

A structured security such as a collateralized mortgage obligation (“CMO”) or asset-backed security (“ABS”) is a bond backed by a pool of underlying financial assets. The underlying assets generally consist of receivables such as mortgages, credit card receivables, student or other bank loans for which the timing of principal payments by the underlying obligors may be variable and unpredictable. The security may also incorporate credit enhancements or other rights that affect the amount and timing of payments to investors.

Communication of periodic payment rates of principal and interest (“P&I”) to the end investors in structured securities depends upon application of stringent time frames for information reporting and significant interdependencies among servicers of the underlying assets, trustees, custodians, and paying agents on the securities, DTC, and the financial intermediaries that act on behalf of the investors. Given the complexity of structure and calculations of cash flow from the underlying assets through the issuer to the end investor, and the interdependencies on timeliness and accuracy of performance throughout the chain of servicers and intermediaries, timely and accurate submission of payment rate information on structured securities is a significant problem to the financial services industry and to end investors. Payment rates are announced late on a significant number of these issues, and the number of post-payable adjustments needed to correct inaccurate payments due to inaccurate rates is higher than for any other security type. Incorrect and late payment rate reporting cause increased operations processing costs, inefficient cash management, and loss of income.

The volume of P&I payments for structured securities processed through DTC has grown rapidly in recent years and currently represents approximately 25% of all P&I payments processed through DTC. With this growth, the late and inaccurate notifications of payment rates have become major and increasing concerns.

Accordingly, DTC formed a cross-industry working group (consisting of representatives from the Securities Industry and Financial Markets Association (SIFMA), major paying agents, servicers and master servicers, underwriters, and major retail and institutional broker/dealers and custodians) to study the severity of the P&I processing problems of structured securities and to analyze possible solutions. In its analysis, the working group studied the payment rate reporting history of all structured securities, noting factors such as paying agent and type of deal structure. It was determined that extending the date by which paying agents must submit rate information to DTC will allow a greater number of structured securities to meet DTC’s requirements and thus be eligible for DTC services. It was also concluded that there is a significant subset of structured securities for which the paying agent may not be able to comply with even an extended timeframe for delivery of payment rate information, because of features inherent in the structure of the security issue. It was determined that these securities should be expressly identified and handled as issues that require exception processing, and that paying agent rate reporting performance on all structured securities should be evaluated and

made publicly available to participants and other relevant parties. Accordingly, DTC proposes to implement the changes set forth below.

Proposed Amendment to Operational Arrangements

DTC's "Operational Arrangements Necessary for an Issue to Become and Remain Eligible for DTC Services" (the "Operational Arrangements" or "OA") governs the eligibility of issues for deposit at DTC and the obligations of the issuer and its agents regarding servicing of the issue thereafter. With respect to notification on issues that pay P&I periodically or that pay interest at a variable rate, the OA requires that the paying agent on the security provide payment rate information to DTC preferably five business days, but no fewer than two business days, prior to the payable date.

(i) Extending the Deadline for Reporting on Payment Detail

As it has become apparent that the majority of structured securities could not adhere to the current rate reporting deadline in the Operational Arrangements, DTC proposes to amend the Operational Arrangements to require that the payment notification in respect of structured securities be provided to DTC by the paying agent preferably five business days but no less than one business day prior to the payable date, rather than the current deadline of two business days prior. In addition, DTC will extend its current processing deadline for receipt of payment rate files from the current cut-off time, 7:00 pm, to 11:30 pm. Allowing paying agents the additional time is expected to allow paying agents to provide rates in a timely and accurate fashion for a majority of structured securities issues, allowing them to remain eligible for DTC's services, while permitting DTC adequate time to process the information without delaying payment by DTC to its participants.

(ii) Securities Classifications

Due to complexity of certain structured securities, it is anticipated that certain issues will not be able to meet the amended OA requirement for timely payment rate reporting, even with the extended reporting period. Therefore, DTC proposes to distinguish between two classes of structured securities: "conforming" and "non-conforming". Non-conforming structured securities are issues for which the issuer and paying agent have concluded that the security has features that will preclude the paying agent from likely submitting rate information to DTC in conformity with the requirements of the Operational Arrangements. This identification of an issue as conforming or nonconforming will be made at the time the security is made eligible at DTC. For each underwriting of structured securities that the issuer and paying agent has identified as non-conforming, the issuer and paying agent will submit a written attestation indicating the reason for non-conformance. DTC will in turn identify non-conforming structured securities to participants and other relevant parties, and will add an indicator to the appropriate DTC systems functions to denote non-conforming securities. Paying agents will be required to evaluate their entire portfolio of structured securities on deposit at DTC to identify non-conforming securities that have previously been made eligible at DTC. Although approximately 15% of structured security issues currently fail to have

rates submitted to DTC in a timely manner, it is estimated that approximately half of these actually have structural impediments to meeting the requirements (i.e., “non-conforming”). Failures in timely rate reporting in other instances are believed to be curable by improved servicing and reporting on the securities.

(iii) *Exception Processing Fee applicable to Non-conforming Securities*

Securities processing inefficiencies and rate inaccuracies associated with late payment rate reporting lead to increased costs associated with non-conforming structured securities. In order to recoup the increased processing costs, effective January 1, 2008, DTC proposes to impose an exception processing fee to the managing underwriter of the non-conforming issue at the time of underwriting. No fee will be charged retroactively on issues already at deposit at DTC prior to the implementation of the fee.

The exception processing fee will be calculated based upon anticipated excess costs of structured securities P&I processing. Based on estimates derived from 2006 costs, the attestation fee would be approximately \$4,200 per CUSIP. The fee applicable for 2008 would reflect more current costs and be modified accordingly. The amount of the fee would be presented to DTC’s Board of Directors for approval and filed with the SEC as part of DTC’s annual establishment of fees, and modified in accordance with DTC’s standard procedures for modification of fees.

Annually, the aggregate net amount of the exception processing fees will be allocated and rebated, pro-rata, to the DTC participants for whom DTC processed structured securities P&I allocations. The total number of allocations would be calculated for each participant as a percentage of total annual allocations by DTC and that percentage would be applied against the total exception processing fund and rebated to each participant. The total exception processing fund would be calculated as the sum of all exception processing fees less DTC’s cost to administer the program.

(iv) *Evaluation and Publication of Paying Agent Performance*

DTC proposes to track and evaluate performance by each paying agent with regard to timeliness and accuracy of payment rate reporting on structured securities, and to make paying agent performance evaluations available to DTC participants and the public. The purpose is to identify poor payment and reporting performance for which a paying agent should be able, based on its attestation, to correct any underlying servicing issues associated with the payment and information flows.

DTC plans to expand evaluation reports (paying agent “report cards”) that are currently used to compare rate submission performance and accuracy of paying agents for structured securities. This report card is currently only distributed among the paying agents being compared; as proposed, the report card will be available on DTC’s website. The report card tracks and reports on performance for a given month, by agent, with respect to the number of CMO and ABS announcements processed, the number of late and amended announcements, the payment dollars, late payment dollars, and the number of payments and late payments. Timeliness of payment rate notification on non-conforming structured securities will not be included in the proposed paying agent

performance evaluation, based on the paying agent's attestation that it is a non-conforming issue, subject to an exception processing fee. The other factors will be included with respect to both conforming and non-conforming securities.

B. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments received by DTC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve such proposed rule change, or
- (B) institute proceedings to determine whether the proposed change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to rule-comment@sec.gov. Please include File Number SR-DTC-2007-11 on the subject line.
- Paper comments should be sent in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-1090.

All submissions should refer to File Number SR-DTC-2007-11. This file number should be included on the subject line if e-mail is used. To help the Commission process

and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Room Section 100 F Street, NE, Washington DC 20549-1090. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to the File Number SR-DTC-2007-11 above and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Nancy M. Morris

The proposed amendments to the text of the Operational Arrangements (Necessary for an Issue to Become and Remain Eligible for DTC Services) of DTC are set forth below.

Underline, boldface text indicates additional language

~~**Struck through boldface text**~~ indicates deleted language

A. ELIGIBILITY

* * *

17. Structured Securities

Underwriters and Paying Agents of Structured Securities must evaluate each issue as “conforming” or “non-conforming”. An issue is conforming if the Underwriter and Paying Agent have determined that the structure of the security will likely allow the Paying Agent to comply with Section B(4)(b) of this OA, which requires the submission of payment rate information to DTC no later than one business day prior to the payable date. An issue is non-conforming if it is one for which the Underwriter and Paying Agent have determined that the structure of the issue will likely prevent the Paying Agent from meeting the timely notification requirement of Section B(4)(b).

With respect to each non-conforming issue, the Underwriter and Paying Agent are required to submit a completed and signed “Non-conforming Structured Securities Underwriting Exception Processing Notification” (Exhibit E). Such issues are subject to an Exception Processing Fee, assessed at the time of eligibility, which is based upon the additional costs incurred by DTC in respect of processing payments for which rate information is not timely submitted. Issues designated as non-conforming Structured Securities are not subject to the requirement of timely notification set forth in Section B(4)(b) of this OA. Paying Agents must endeavor to submit rate information on non-conforming securities by the business day prior to the payable date; however the failure to meet the deadline will not be reported as such in DTC’s public evaluations of Paying Agent performance (see Section B(4)(i)).

[17]18. Signatures

DTC may, at its option, in lieu of relying on an original signature, rely on a signature as if it were (and the signature shall be considered, and have the same effect as) a valid and binding original signature in the following circumstances:

If such signature is transmitted, inscribed, recorded, or stored by any electronic, optical, or similar means on a tangible medium and is retrievable in perceivable form (including but not limited to telecopy, imaging, xeroxing, electronic mail, electronic data interchange, telegram, or telex).

[18]19. Office of Foreign Assets Control (“OFAC”) Regulations

Issuer represents that the Securities are not Securities of an issuer that is listed on the OFAC issuer list distributed by the U.S. Department of the Treasury, or of an issuer that is incorporated in a country that is on the OFAC list of “pariah” countries.

B. PRINCIPAL AND INCOME (P&I) PAYMENTS²

* * *

4. Dividend and Income Notification

* * *

b) Notification of Issues that Pay: (i) Principal and Interest Periodically; or (ii) Interest at a Variable Rate other than Variable-Rate Demand Obligations (VRDOs) (See Section D for VRDOs) — In order for DTC to effect timely credit of payments to Participants with respect to issues that pay principal and interest periodically, or pay interest at a variable rate, Paying Agent or any source acceptable to DTC shall provide the following information calculated on the original principal amount of \$1,000 per bond (or other minimum authorized amount if less than \$1,000 face value), preferably five business days but no fewer than two business days prior to the payable date; **or, with respect to Structured Securities, no later than one business day prior to the payable date:**

- (1) Current interest rate;
 - (2) Coupon rate, expressed as a percentage;
 - (3) Principal pay-down rate;
 - (4) Pool factor (which is the remaining balance per \$1,000 of face value), expressed as a decimal;
 - (5) Agent’s contact name and phone number;
 - (6) Interest shortfall rate;
 - (7) Deferred interest/negative amortization rate;
 - (8) Method of calculation (e.g., 30/360, 30/365, actual/360); and
 - (9) Interest accrual period (record date to record date or payable date to payable date).
- Such information shall be sent electronically to DTC as set forth in Section B(4)(a), Information for DTC Announcements. On an exception basis, DTC will accept the information by telecopy or e-mail. **DTC monitors and reports on Paying Agent performance with respect to timeliness and accuracy of rate information submitted to DTC on Structured Securities as set forth in Section B(4)(i).**

Such information shall be sent electronically to DTC as set forth in Section B (4) (a), Information for DTC Announcements. On an exception basis, DTC will accept the information by telecopy or e-mail.

* * *

i) Paying Agent Evaluation Reports – DTC tracks the performance of Paying Agents of Structured Securities with respect to, among other factors, the timeliness of submission of rate information (in compliance with Section above), and the accuracy of rate information (as determined by reference to the number of

post-payable adjustments in payment amounts after payable date due to inaccurate rates).

DTC may publish evaluation reports based upon these performance statistics, identifying the Paying Agent by name (“Report Cards”). DTC may make Report Cards publicly available, by publication on DTC’s website (www.dtcc.com) or otherwise.

Paying Agent Report Cards will evaluate performance in respect of Conforming Structured Securities for timeliness of submission of rate information, as well as accuracy of rates. The timeliness of submission of rate information in respect of Non-Conforming Structured Securities will not be included in the Report Card, although rate accuracy will be evaluated.

* * *

EXHIBIT E

**Non-conforming Structured Securities’ Underwritings
Exception Processing Notification**

**The Depository Trust Company
c/o The Depository Trust & Clearing Corporation
55 Water Street
New York, N.Y. 10041
Attention: Underwriting Department**

Issuer Name: _____

Paying Agent Name: _____

Managing Underwriter Name: _____

Structured Security Name: _____

CUSIP Number(s): _____

The undersigned Paying Agent and Issuer listed above have both agreed to adhere to DTC’s Operational Arrangements (OA), as modified from time to time. With regard to principal and income payments on Structured Securities, Section B(4)(b) of the DTC OA requires Paying Agents to electronically transmit all final payment rates to DTC preferably five business days but no later than one business day prior to the payable date. This notification is for the purpose of identifying that the subject security is “non-conforming” as defined in Section A(17) of the OA: i.e.,

structured in a way that likely prevents the Paying Agent from meeting this rate notification timeliness requirement.

- **Each of the managing Underwriter and Paying Agent named above hereby attest that the structure of the above referenced Structured Security will render the Paying Agent likely to not produce and distribute final payment rate information to DTC by 11:30 PM Eastern Time the business day before each scheduled payment date.**
- **The managing Underwriter and Paying Agent understand that this notification will result in DTC charging an Exception Processing Fee to the managing Underwriter requesting DTC eligibility or distributing the security through DTC's facilities.**
- **The managing Underwriter and Paying Agent hereby inform DTC that the non-conforming Structured Security referenced above being made DTC-eligible is of the type noted below or has the feature (s) noted below that render the Paying Agent likely to not comply with DTC's requirements for timely submission of rate information on a consistent basis.**
 - **Type of Structured Security**
 - **TK**
 - **TK**
 - **TK**
 - **Feature of security rendering Paying Agent unable to meet requirements**
 - **TK**
 - **TK**
 - **TK**
 - **Other (please explain)**
 - **TK**
 - **TK**
 - **TK**
- **The managing Underwriter and Paying Agent understand that, as a non-conforming issue, the above Structured Security will not be included in the universe of Structured Securities from which DTC will derive performance statistics regarding the timelines of submission of rate information to DTC for publication in the Paying Agent Report Card (see Section B(4)(i) of the OA).**

- **The managing Underwriter and Paying Agent understand that this notification will not alter DTC's practice of including the above Structured Security in the universe of Structured Securities from which DTC will calculate payment accuracy performance.**

Paying Agent

Managing Underwriter

(Name of Organization)

(Name of Organization)

By:

(Authorized Officer's Signature)

(Authorized Officer's Signature)