EXHIBIT 5a

Bold and underlined text indicates proposed added language

~~**Bold and strikethrough text**~~ indicates proposed deleted language

FIXED INCOME CLEARING CORPORATION

GOVERNMENT SECURITIES DIVISION RULEBOOK

RULE 1 – DEFINITIONS

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[Changes to this Rule, as amended by File Nos. SR-FICC-2024-003 and SR-FICC-2024-801, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the Securities and Exchange Commission but have not yet been implemented. By no later than [insert date 60 Business Days after the later of the approval of SR-FICC-2024-003 and no objection to SR-FICC-2024-801], these changes will be implemented, and this legend will be automatically removed from this Rule.]

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Minimum Margin Amount

The term "Minimum Margin Amount" means, with respect to each Margin Portfolio, a minimum volatility calculation for specified Net Unsettled Positions of a Netting Member as of the time of such calculation.

The Minimum Margin Amount shall use historical price returns to represent risk and be calculated as the sum of the following:

(a) amounts calculated using a filtered historical simulation approach to assess volatility by scaling historical market price returns to current market volatility, with market volatility being measured by applying exponentially weighted moving average to the historical market price returns with a decay factor between 0.93 and 0.99, as determined by the Corporation from time to time based on sensitivity analysis, macroeconomic conditions, and/or backtesting performance,

(b) amounts calculated using a haircut method to measure the risk exposure of those securities that lack sufficient historical market price return data, and

(c) amounts calculated to incorporate risks related to (i) repo interest volatility ("repo interest volatility charge") and (ii) transaction costs related to bid-ask spread in the market that could be incurred when liquidating a portfolio ("bid-ask spread risk charge").

The Corporation will provide Members with at a minimum one Business Day advance notice of any change to the decay factor via an Important Notice.

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VaR Charge

The term "VaR Charge" means, with respect to each Margin Portfolio, a calculation of the volatility of specified Net Unsettled Positions of a Netting Member as of the time of such calculation. Such volatility calculations shall be made in accordance with any generally accepted portfolio volatility model, including, but not limited to, any margining formula employed by any other clearing agency registered under Section 17A of the Securities Exchange Act of 1934. Such calculation shall be made utilizing such assumptions (including confidence levels) and based on such observable market data as the Corporation deems reasonable, and shall cover such range and assessment of volatility as the Corporation from time to time deems appropriate. To the extent that the primary source of such market data becomes unavailable for an extended period of time, the Corporation shall utilize the Margin Proxy as an alternative volatility calculation. In its assessment of volatility, the Corporation shall calculate an additional bid-ask spread risk charge measured by multiplying the gross market value of each Net Unsettled Position by a basis point charge, where the applicable basis point charge shall be reviewed at least annually and shall be based on the following risk groups: (a) mortgage pool transactions; (b) TIPS; (c) U.S. agency bonds; and (d) U.S. Treasury securities, which shall be further categorized by maturity – those maturing in (i) less than five years, (ii) equal to or more than five years and less than ten years, and (iii) equal to or more than ten years.

If the volatility calculation **(or the Margin Proxy, when applicable)** is lower than ~~an amount designated by the Corporation (~~the ~~"~~VaR Floor~~")~~**,** then the VaR Floor will be utilized as **the** ~~such Netting Member's~~ VaR Charge **of the Margin Portfolio**.

VaR Floor

The term "VaR Floor" means, with respect to each Margin Portfolio, the greater of (i) the VaR Floor Percentage Amount and (ii) the Minimum Margin Amount.

VaR Floor Percentage Amount

~~Such VaR Floor will be determined by multiplying~~ **The term "VaR Floor Percentage Amount" means** the absolute value of the sum of Net Long Positions and Net Short Positions of Eligible Securities, grouped by product and remaining maturity, **multiplied** by a percentage designated by the Corporation from time to time for such group. For U.S. Treasury and agency securities, such percentage shall be a fraction, no less than 10%, of the historical minimum volatility of a benchmark fixed income index for such group by product and remaining maturity. For mortgage-backed securities, such percentage shall be a fixed percentage that is no less than 0.05%.

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EXHIBIT 5b

The information contained in this Exhibit 5b is subject to exemption from mandatory disclosure under Exemptions #4 and #8 of the Freedom of Information Act because the information concerns (i) trade secrets and commercial information that is privileged or confidential and (ii) the supervision of Fixed Income Clearing Corporation (FICC), a financial institution. This Exhibit 5b contains one electronic file embedded in a one-page document for filing efficiency, as listed below. The information contained in the embedded file is not intended for public disclosure. Accordingly, this Exhibit 5b has been redacted and confidential treatment requested pursuant to 17 CFR 240.24b-2. An unredacted version was filed separately and confidentially with the Securities and Exchange Commission. Notwithstanding the request for confidential treatment, FICC believes the substance of this Exhibit 5b is clearly and adequately described in the accompanying Exhibit 1A and Form 19b-4 narrative to this filing, thus allowing for meaningful public comment.

Embedded File:

- Proposed changes to the QRM Methodology; 26 pages; proposed changes to Methodology Document – GSD Initial Market Risk Margin Model.

PAGE REDACTED IN ITS ENTIRETY