



# TMPG | Treasury Market Practices Group

## **Expansion of the TMPG's Role: Frequently Asked Questions**

The following is intended to address questions about the expansion in the Treasury Market Practices Group's (TMPG's) scope beyond the Treasury market to include the promotion of market best practices related to trading and settlement in the agency debt and agency mortgage-backed securities (MBS) markets.

*March 30, 2010*

### **Why is the TMPG expanding its scope to include the agency debt and agency MBS markets?**

The expansion in the TMPG's scope reflects the importance of the effective functioning of the Treasury, agency debt, and agency MBS markets, the extensive overlap of trading and settlement structures and investors across the markets, and the TMPG's experience in promoting best practices.

### **Is the TMPG going to expand its scope to include any other markets in the future?**

The TMPG does not plan to expand its scope beyond the Treasury, agency debt, and agency MBS markets, as there is a natural division between these and other markets. The Treasury, agency debt, and agency MBS markets are all liquid products that are transferred over the Fedwire system and that may be used in open market operations by the Federal Reserve Bank of New York.

### **What types of agency debt and agency MBS are covered under the TMPG's expanded scope?**

The TMPG's principal focus will be on debt issued or guaranteed by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks and on MBS issued or guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae.

### **How will this expansion relate to other industry efforts associated with the markets for agency debt and agency MBS?**

The expansion of the TMPG's scope is intended to complement other industry efforts in this field. The TMPG will focus on promoting best practices related exclusively to trading and settlement in the agency debt and agency MBS markets.

### **Is the TMPG's name going to remain the same, or will it be changed given the expansion in the group's scope of focus beyond the Treasury market?**

At this time, the group plans to retain the title “Treasury Market Practices Group”, given familiarity among market participants with the TMPG’s name and prior recommendations.

**Does the TMPG plan to address settlement fails in the agency debt or agency MBS markets?**

At this point, the group has not decided upon any specific recommendations related to market practices in agency debt and agency MBS, including those that might pertain to settlement fails. As the TMPG assesses best practices related to trading and settlement in the agency debt and agency MBS markets, it is likely to consider the issues associated with settlement fails in these markets.

**Will the TMPG continue to promote best practices in the Treasury market?**

Yes, the TMPG will continue its efforts to support the integrity and efficiency of the Treasury market.