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## **TMPG Encourages Market Attention to Best Practice Recommendations During the Transition to Uniform Mortgage-Backed Security (UMBS)**

The Treasury Market Practices Group (TMPG) views the change in market structure arising from the Federal Housing Finance Agency's (FHFA) Uniform Mortgage-Backed Security (UMBS) initiative as an opportune time for market participants to review the [TMPG Best Practices for Treasury, Agency Debt and Agency Mortgage-Backed Securities Markets](#) (Best Practices). The UMBS initiative will align Fannie Mae and Freddie Mac Mortgage-Backed Securities (MBS) such that both will be considered good delivery for a single UMBS TBA contract. Today, the TMPG published a [note](#) that highlights the importance of existing TMPG Best Practices for the MBS market, in light of this recent announcement.

The TMPG encourages all market participants to become familiar with the Best Practices and incorporate them in their operations to promote the integrity and efficiency of TMPG covered markets. Today's note highlights certain existing Best Practices that market participants should give additional attention to during the transition to UMBS.

"The TMPG recognizes the importance of ensuring that its best practice recommendations remain relevant as market structure evolves over time. We believe it is appropriate for market participants to review and apply the TMPG best practices to their market activities during and after the transition to the UMBS," said Tom Wipf, Chair of the TMPG.

The TMPG recommends that market participants be particularly attentive to the Best Practices as the agency MBS market transitions to the UMBS.



*About the Treasury Market Practices Group:*

The Treasury Market Practices Group (TMPG) is a group of market professionals committed to supporting the integrity and efficiency of the Treasury, agency debt and agency mortgage-backed securities (MBS) markets. The TMPG is composed of senior business managers and legal and compliance professionals from a variety of institutions – including securities dealers, banks, buy-side firms, market utilities and others – and is sponsored by the Federal Reserve Bank of New York. More information is available at: [www.newyorkfed.org/tmpg](http://www.newyorkfed.org/tmpg)

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