



CONTINGENT TERM REPO FACILITY – QUICK REFERENCE GUIDE FOR LOANS

PRE-POSITIONING PROCESS

Participants should consider that pre-positioning loan portfolios is likely to take weeks or months due to the due diligence which needs to be completed. Therefore eligibility and pre-positioning of loan portfolio collateral should be confirmed with the Bank in advance of plans for delivery in a CTRF operation or substitution.

Participant sends a completed [collateral template](#) to cmc.scp@bankofengland.co.uk (worksheet 'Collateral In - INCREASE') detailing loan collateral to be delivered to the pre-position pool including identifiers and nominal values.

Participant receives pre-positioning statement and statement of collateral held in the Single Collateral Pool from the Bank, or via the Portal, confirming details of the collateral position for loans and securities, including collateral level and adjusted market value.

SETTLEMENT PROCESS

CTRF operation announced the day before the auction.

CTRF operation auction held between 10:30am and 11:00am and allocation notified via Btender or confirmed by the Bank via telephone if bids are submitted by telephone.

Participant sends a completed version of the [confirmation template](#) (worksheet 'Collateral In - INCREASE') and [Loan Collateral Transfer Notice](#) to cmc.scp@bankofengland.co.uk by 10:30am on the day of settlement (T+1). Participant instructions should state that loan collateral is to be moved out of pre-position pool and into the Single Collateral Pool. Portfolios of Scottish or 'Declaration of trust' loans require additional legal documents to be delivered to the Bank; participants should agree the requirements for these portfolios in advance of the auction with the Bank.

The Bank ensures securities are earmarked in the correct account for the respective securities settlement system. Once the collateral covers the initial repurchase price, sterling payments will be made in accordance with SSIs.

Collateral cannot be cross-netted between banking group entities. Loan collateral that is already collateralising outstanding transactions may act as collateral for additional CTRF and/or DWF transactions, if there is sufficient remaining Adjusted Market Value of the collateral available.

MATURITY PROCESS

Upon maturity, the participant may specify whether loan collateral should be retained in the Single Collateral Pool (for use in further drawdowns or substitutions) or returned to the pre-position pool.

If participants wish to return collateral to the pre-position pool, a [confirmation template](#) is required.

On the maturity date, the participant should deliver sterling funds to the Bank by 11:30am. Subject to prior agreement with the Bank, cash may be returned to the Bank in a single transaction of a net amount. Once the Bank has received the funds, the collateral will be returned in accordance with participant instructions.

USER GUIDE TO CONFIRMATION TEMPLATES

For more information on how to fill in the [confirmation templates](#), please see the [user guide](#).



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COLLATERAL MOVEMENT PROCESS

Movement of collateral within the Single Collateral Pool during the term of the transaction may be completed. For loans, the participant should call the settlement team as early as possible on the day to request a movement.

Participant sends [confirmation template](#) (worksheet 'Collateral In – INCREASE' and 'Collateral Out – DECREASE' as required) and a completed and [Loan Collateral Transfer Notice](#) if delivering loan collateral to the settlement team (cmc.scp@bankofengland.co.uk), detailing the loan pools to be swapped.

COLLATERAL CALL PROCESS

Collateral calls will be automatically met using excess collateral held in the Single Collateral Pool.



If the participant has insufficient excess collateral held in the Single Collateral Pool, the Bank will raise a call for additional collateral at 10.00 am or as soon as possible thereafter. The participant should seek to deliver additional collateral to the Bank, within three hours of the call being made.



Participant should complete the [confirmation template](#) (worksheet 'Collateral In – INCREASE') and a completed and [Loan Collateral Transfer Notice](#) and send to the settlement team (cmc.scp@bankofengland.co.uk), detailing the loan collateral to be used to meet the call.

CONTACT DETAILS

Front office: 020 7601 5000

Back office: 020 5700 5399 / cmc.scp@bankofengland.co.uk

This document is intended only as a quick reference guide, and should be consulted in partnership with [SMF Documentation](#). If, after consultation of the [SMF Documentation](#), participants are unsure of any point of process they should contact the Bank's front office. In the event of any conflict between procedures outlined here and those outlined in the [SMF Documentation](#) the latter takes precedent.