

THE **FEDERAL RESERVE**  
 *Financial Services*

# Fedwire<sup>®</sup> Securities Service Automated Claim Adjustment Process (ACAP) Customer Testing Webinar

June 7, 2022

# Purpose of the Webinar

The purpose of this webinar is to explain the details and answer questions related to customer testing of the ACAP enhancements in order to help customers prepare for the initial testing window in the Depository Institution Testing (DIT) environment prior to the implementation of Phase 1 in January 2023.

This deck covers customer testing plans, schedule, requirements, and registration instructions. It is recommended that all participants and service providers participate in customer testing of the ACAP enhancements regardless of intention to use the service.

The latest information on the ACAP enhancement project can be found on the [ACAP Resources and Implementation Center](#). Participants and service providers should refer to the new [Clearing Memo #278](#) for the technical and operational information related to the enhanced ACAP service.

# ACAP Enhancements Implementation Plan

Phase 1 (January 30, 2023)	Implement the new method and earlier timing of settling claim adjustments and new reporting for mortgage-backed securities (MBS).
Phase 2 (April 3, 2023)	Expand fail and repo tracking to all coupon-paying securities issued over the Service.
Phase 3 (August 7, 2023)	Expand ACAP tracking to securities lending transactions across all coupon-paying securities issued over the Service.

# Testing Plan

<b>July 7 – December 29, 2022</b>	<b>Initial Depository Institution Testing</b>
January 30, 2023	Phase 1 Implementation
February – March 2023*	Additional Depository Institution Testing
April 3, 2023	Phase 2 Implementation
April – July 2023*	Additional Depository Institution Testing
August 7, 2023	Phase 3 Implementation

\* Exact dates are to be determined

# Initial DIT Schedule

2022						2023
Jul	Aug	Sep	Oct	Nov	Dec	Jan
Data refresh as of close of business on June 30		Data refresh as of close of business on August 31		Data refresh as of close of business on October 31		January 30, 2023: Phase 1 in production
July 7 - December 29: Phase 1 functionality testing						
			October 3 - December 29: Phase 2 functionality testing			
				November 3 - December 29: Phase 3 functionality testing		

- DIT environment will be refreshed with production data every two months.
- Approximately 6 months to test Phase 1 functionality with option to test Phase 2 and Phase 3 functionalities when enabled in the DIT.
- Attestations are required from those who are required to test Phase 1 functionality.

# Who is required to test?

**All** participants and service providers are **recommended** to participate in customer testing.

## FedLine Direct® Customers:

- All participants and service providers are **required** to test their readiness for the implementation of the ACAP enhancements.

## FedLine Advantage® Customers:

- Participants who use Fedline Advantage are **recommended** to test.
- Participants who receive their Fedwire Securities Service statements via the FedLine Direct Solution (i.e., FedLine Direct File, FedLine Direct Message) or FedLine Command® channels are **required** to test.
- Participants who export incoming messages through the FedPayments Manager – Securities application are **highly recommended** to test.

# What is required during Initial DIT?

## Phase 1 functionality:

- Send and receive fail and repo ACAP tracking transactions on agency MBS securities.
- Receive and process the new claim adjustment messages (Type Code 8908 – Claim Adjustment Debit Message and Type Code 8909 – Claim Adjustment Credit Message).
- Receive and process the modified and new ACAP statements (including Adjustment Notification, Repo Balance, and Unprocessed Claim Notification).
- Validate that your back office applications and/or operations can handle the new claim adjustment messages and ACAP statements.
- Validate end-to-end reconciliation of Fedwire Securities Service transactions and end-of-day reporting.

Note: **Highly recommend** that test participants also conduct their own test cases to further affirm readiness for the production implementation of Phase 1.

# What is optional during Initial DIT?

Phase 2 functionality (October – December 2022):

- Send and receive transactions on other coupon-paying securities (i.e. Treasuries and agency debt) with fail and repo ACAP tracking tags.
- Receive and process the new claim adjustment messages (Type Code 8908 – Claim Adjustment Debit Message and Type Code 8909 – Claim Adjustment Credit Message).
- Receive and process the modified and new ACAP statements (including Adjustment Notification, Repo Balance, and Unprocessed Claim Notification).
- Validate end-to-end reconciliation of Fedwire Securities Service transactions and end-of-day reporting.



# What is optional during Initial DIT?

Phase 3 functionality (November – December 2022):

- Send and receive transactions on all coupon-paying securities (i.e. MBS, Treasuries and agency debt) with a securities lending field tag.
- Receive and process the new claim adjustment messages (Type Code 8908 – Claim Adjustment Debit Message and Type Code 8909 – Claim Adjustment Credit Message).
- Receive and process the modified and new ACAP statements (including Adjustment Notification, Repo Balance, Unprocessed Claim Notification, and Securities Lending Balance).
- Validate end-to-end reconciliation of Fedwire Securities Service transactions and end-of-day reporting.

# Testing Highlights

## Highlights of DIT operation:

- DIT environment open time for the Fedwire Securities Service ACAP enhancements will be at 8:30 a.m. ET.
- Times of P&I and historical fails will be orchestrated but different from real world timing.
- A P&I payment date schedule will be available to inform test participants of coupon-paying Fedwire securities scheduled for P&I payments during the ACAP testing window.
- P&I payments for treasuries, agency MBS and debt securities will be made to the master account of record-date holders on payment dates.
- Fedwire Securities Service statements created from the test cycle date will be delivered to test participants **upon request** on the next business day.

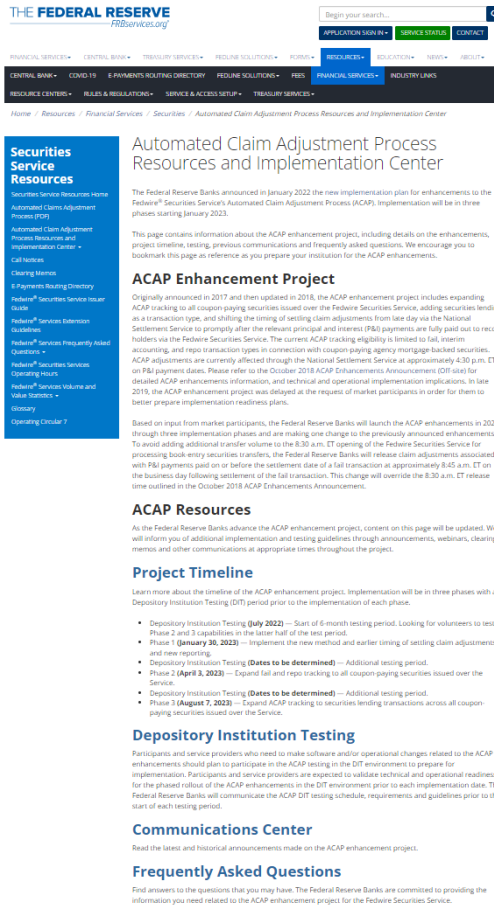
# Testing Registration

Participants and service providers are required to register for ACAP testing by submitting the [Test Request Form](#). For the testing type field, please check “Other Testing” and provide in the comments section at the bottom “ACAP Enhancements Testing”.

Test scripts will be provided upon registration by your respective Wholesale Testing Unit contact.

The Federal Reserve Banks require customers who are required to test to complete an attestation form indicating their institution has completed testing of Phase 1 functionality. The attestation forms will be provided to participants once they have completed testing.

# ACAP Resources and Implementation Center on FRBservices.org



The screenshot shows the Fedwire website interface. At the top, there is a search bar and navigation links for 'APPLICATIONS', 'SERVICES', and 'CONTACT'. Below this is a main navigation bar with categories like 'CENTRAL BANK', 'E-PAYMENTS', 'FINANCIAL SERVICES', and 'INDUSTRY LINKS'. The main content area is titled 'Automated Claim Adjustment Process Resources and Implementation Center'. It includes a sidebar with 'Securities Service Resources' and a main text area with sections for 'ACAP Enhancement Project', 'ACAP Resources', 'Project Timeline', 'Depository Institution Testing', 'Communications Center', and 'Frequently Asked Questions'.

Current information on the ACAP enhancement project can be found at on the [ACAP Resources and Implementation Center](#) which includes the following:

- Project timeline
- DIT Testing information
- Communications Center
- Frequently asked questions

More information will be added as the ACAP enhancement project progresses, including a copy of webinar presentations.

# ACAP Contact Information

For ACAP customer testing related questions, please contact your designated [Wholesale Testing Unit](#), which can be found on [FRBservices.org](https://www.frb.org/services). or via phone to East Rutherford Operations Center (877) 569-2488 or Richmond (800) 526-2032.

For general ACAP questions, please contact the Federal Reserve Bank of New York – East Rutherford Operations Center: (800) 390-2788

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# Q&A