New Technology Frees Up Residential Mortgage Lending Capacity

Over $150 billion in Round-Robin Trades Executed in Last Six Months

Round-Robin technology introduced by Tradeweb in December 2010 has dramatically increased the ability of institutional investors to pair-off TBA (“to-be-announced”) mortgage pool transactions with dealers, providing both parties with an electronic alternative to “manual” assignments, limiting the risk of Round-Robin trade fails.

- **$166 billion of trades have been executed by 13 banks** supporting this functionality for clients between December 2010 and May 2011 — significantly reducing risk for mortgage lenders.

Failed mortgage trades represent a significant threat to efficiency in the mortgage market, and at the same time, increase potential systemic risk to the sector.

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There have been more than 4,000 Round-Robin transactions since the launch of the functionality, resulting from average monthly growth of 238% from December 2010 through May 2011.

TBA-MBS Round-Robin Transactions

As of June 2011, the number of dealers enabled for Round-Robin trading has also increased to 14 from the initial 4 at launch, including:

- BAML
- Barclays
- BNP Paribas
- Citi
- Credit Suisse
- Deutsche Bank
- Goldman Sachs
- Jefferies
- J.P. Morgan
- Morgan Stanley
- Nomura
- RBS
- Wells Fargo
- UBS


Launched in February 2001, there have been over $124 trillion in TBA mortgage security transactions executed by asset managers and other institutional clients on Tradeweb since inception. In 2010, record volume was seen, with more than $2.1 trillion traded in November 2010. More than $5 trillion was traded in Q1 2011, during which average daily trading volumes topped $80 billion.