

on the investment advisory fees paid by the relevant Fund.

### Applicants' Conditions

Applicants agree that the Order granting the requested relief will be subject to the following Conditions:

1. The Registered Fund will sell to the BDC Applicant, prior to the expiration of the requested Order, all of the Qualifying Assets owned by the Registered Fund. In approving any Proposed Transaction under the requested Order, the Required Majority of each Fund will be required specifically to consider the effect that such transaction, and the Proposed Transactions taken together, would have on the investment advisory fees paid by the relevant Fund. If any Eligible Assets are acquired in follow-on investments made after the date the Order was granted, the Manager will document contemporaneously why it believes each follow-on investment helps protect the assets previously owned by the Registered Fund to which the follow-on investment relates.

2. Each of the Eligible Assets shall have been subject to periodic valuation in accordance with methods adopted and reviewed at least annually by the independent directors, as defined in section 2(a)(19) of the 1940 Act, of each Fund in accordance with rule 38a-1 under the 1940 Act.

3. The Registered Fund shall have sold in Bona Fide Third-Party Transactions subject to broad market exposure or competitive bidding to independent third-party buyers (none of whom are the issuer of the respective asset to the knowledge of the Applicants or are affiliated persons of the Applicants under the 1940 Act) (i) for each Qualifying Asset valued at greater than \$10 million, at least the greater of (A) 10% of the holdings by the Registered Fund of each Qualifying Asset or (B) \$5,000,000 in proceeds of such Qualifying Asset or (ii) for each Qualifying Asset valued at \$10,000,000 or less, at least 30% of the holdings by the Registered Fund of each Qualifying Asset.

4. In any transaction between the Funds under the requested Order, (i) the trade date for sale to the BDC Applicant shall be the same as the trade date for the independent sale of a portion of the Qualifying Asset under Condition 3, (ii) the transaction price shall be such independent sale price less any intermediary compensation, such as a sales commission or known spread, paid by the Registered Fund in the open market sale, (iii) 66.7%, or two-thirds, of the transactions will have a sale price within 1.5% of the fair value most

recently assigned by the Registered Fund pursuant to its valuation methods, policies, and procedures, and 100% of the transactions will have a sale price in the market within 2.5% of the fair value most recently assigned by the Registered Fund pursuant to its valuation methods, policies, and procedures (iv) the Manager shall represent to the Independent Directors of the Registered Fund and the BDC Applicant that it has no reason to believe that the sale price received by the Registered Fund pursuant to Condition 3 above does not reasonably approximate (on a pro rata basis) the sale price that would have been received by the Registered Fund had the Registered Fund's entire interest been sold in such transaction and that, in the Manager's judgment, the Proposed Transaction between the Funds would not, at the time of such transaction, preclude the BDC Applicant from acquiring an asset more beneficial to its shareholders' interests, and (v) the price shall be payable in cash at settlement.

5. Any transaction under the requested Order involving Eligible Assets jointly owned under the Co-Investment Order (including a decision not to include an Eligible Asset as a Qualifying Asset) shall comply with the terms and conditions of the Co-Investment Order, as applicable.

6. No Proposed Transaction or Bona Fide Third-Party Transaction shall involve any consideration other than cash payment against prompt delivery of Qualifying Assets. No brokerage commission, fee, or other remuneration shall be paid in connection with any Proposed Transaction. A Bona Fide Third-Party Transaction may include customary transaction expenses paid to persons who are not affiliated persons of the Applicants, but no Bona Fide Third-Party Transaction will involve any arrangement, understanding, or any direct or indirect quid pro quo that goes beyond the market terms of such transaction. No Bona Fide Third-Party Transaction shall involve any arrangement or understanding directed at facilitating the Applicants' reliance on the requested Order. For any Bona Fide Third-Party Transaction, the Registered Fund will not knowingly sell any Qualifying Asset to the issuer of such asset. The Applicants will not attempt to circumvent the above restrictions by entering into any arrangements or understandings that are economically similar to the ones proscribed by the above restrictions.

7. The Registered Fund and the BDC Applicant shall maintain records demonstrating satisfaction of each of the foregoing Conditions in the manner and

for the periods set forth in rule 17a-7(g) under the 1940 Act.

8. The requested Order, if granted, shall expire upon the earlier of the date of termination of TOF or October 10, 2018.

For the Commission, by the Division of Investment Management, under delegated authority.

Kevin M. O'Neill,  
Deputy Secretary.

[FR Doc. 2014-25302 Filed 10-23-14; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73391; File No. SR-FICC-2014-07]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change To Amend the Clearing Rules of the Mortgage-Backed Securities Division To Establish a Membership Category and Minimum Financial Requirements for Insured Credit Unions

October 20, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 15, 2014, Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of this filing is to amend the Clearing Rules (the "Rules") of the Mortgage-Backed Securities Division ("MBSD") of FICC in order to establish a membership category and financial minimum requirements for insured credit unions.

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FICC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

in Item IV below. FICC has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

*(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

(1) Purpose

The purpose of this proposed rule change is to establish a membership category and minimum financial requirements for "insured credit unions" as such term is defined in the Federal Credit Union Act ("FCUA").<sup>3</sup> The FCUA defines "insured credit unions" to mean "any credit union the member accounts of which are insured in accordance with Title II of [FCUA]".<sup>4</sup> Because Title II of the FCUA requires all credit unions that are chartered by the National Credit Union Administration<sup>5</sup> ("federal credit unions") to have insured accounts, the term "insured credit union" includes all insured federal credit unions. Because Title II of the FCUA permits the NCUA Board to insure (i) State credit unions and (ii) credit unions operating under the jurisdiction of the Department of Defense ("Defense Credit Unions"), as long as such credit unions comply with FCUA and implementing NCUA regulations, the term "insured credit unions" also includes both federally-insured State credit unions and federally-insured Defense Credit Unions. It should be noted, however, that the proposed category for "insured credit unions" does not encompass credit unions whose accounts have private or other types of non-federal insurance. As a result, any such credit unions will not be permitted to join MBSD.

FICC believes the participation of this category as guaranteed service members will contribute to the safety, efficiency, and transparency of the market by allowing FICC to capture a greater part of the activity of its existing members and by introducing activity of current non-members to FICC. FICC also believes that insured credit unions will benefit from the MBSD clearing service and the associated operational

efficiencies of a central counterparty service.

Specifically, this filing proposes to revise MBSD Rule 2A ("Initial Membership Requirements") to include a category for insured credit unions that are in good standing with their primary regulators and to establish minimum financial requirements for such category. Such applicants will be required to have a level of equity capital as of the end of the month prior to the effective date of their membership of at least \$100 million and achieve the "well capitalized" statutory net worth category classification defined by the NCUA under 12 CFR Part 702.

In addition to meeting the required financial resources and creditworthiness requirements (which are based on entity type, the types of services the applicant will use and the type of accounting principles used to prepare their audited financial statements), applicants in this new category will have to demonstrate that (1) they have an established profitable business history of a minimum of 6 months or personnel with sufficient operational background and business experience for the firm to conduct its business and to be a member (as is required of all other membership categories) and (2) they are able to satisfactorily communicate with FICC, fulfill anticipated commitments to and meet the operational requirements of FICC with necessary promptness and accuracy, and conform to any condition and requirement that FICC reasonably deems necessary for its protection or that of its Members.<sup>6</sup>

The proposed changes to MBSD Rule 2A provide that insured credit unions will be designated as "Tier One Clearing Members" for loss allocation purposes.<sup>7</sup>

(2) Statutory Basis

The present filing is consistent with the requirements of Section 17A(b)(3)(F) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder applicable to FICC because the proposed rule change permits the participation of insured credit unions, thereby providing these firms with the benefits of the central counterparty service, which includes, among other things, trade comparison, to-be-announced netting, electronic pool notification allocation, pool comparison, pool netting, settlement, and risk management for eligible securities. In addition, this proposal allows FICC to capture a greater market

share of the activity of its existing members and non-members thus promoting the prompt and accurate clearance and settlement of securities transactions. Under the proposed rule change, existing members will be able to submit their eligible trading activity with entities in the proposed membership category to MBSD and thereby obtain the benefits of the central counterparty service for such trading activity.

*(B) Clearing Agency's Statement on Burden on Competition*

FICC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

*(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments relating to the proposed rule changes have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FICC-2014-07 on the subject line.

<sup>3</sup> Federal Credit Union Act, 12 U.S.C. 1752(7)(2013).

<sup>4</sup> 12 U.S.C. 1752(7).

<sup>5</sup> The National Credit Union Administration (NCUA) is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of more than 95 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions. See [www.ncua.gov](http://www.ncua.gov).

<sup>6</sup> MBSD Rule 2A Section 2, Mortgage-Backed Securities Division Clearing Rules.

<sup>7</sup> MBSD Rule 4 Section 7, Mortgage-Backed Securities Division Clearing Rules.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-FICC-2014-07. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549-1090 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of FICC and on FICC's Web site: <http://www.dtcc.com/~media/Files/Downloads/legal/rule-filings/2014/ficc/SR-FICC-2014-07.pdf>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FICC-2014-07 and should be submitted on or before November 14, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Kevin M. O'Neill,**  
Deputy Secretary.

[FR Doc. 2014-25301 Filed 10-23-14; 8:45 am]

**BILLING CODE 8011-01-P**

**DEPARTMENT OF STATE**

[Public Notice 8931]

**Department of State Performance Review Board Members; Appointments**

In accordance with section 4314(c)(4) of 5 United States Code, the Department

of State has appointed the following individuals to the Department of State Performance Review Board for Senior Executive Service members:

Christopher H. Flaggs, Chairperson, Comptroller, Bureau of the Comptroller and Global Financial Services, Department of State;

Kelly Clements, Deputy Assistant Secretary, Bureau of Population, Refugees, and Migration, Department of State;

Hoyt B. Yee, Deputy Assistant Secretary, Bureau of European and Eurasian Affairs, Department of State; and

Mary Catherine Malin, Assistant Legal Advisor, Office of the Legal Advisor, Department of State.

Dated: October 14, 2014.

**Hans Klemm,**

*Acting Director General of the Foreign Service and Director of Human Resources, Department of State.*

[FR Doc. 2014-25353 Filed 10-23-14; 8:45 am]

**BILLING CODE 4710-15-P**

**DEPARTMENT OF TRANSPORTATION****Federal Transit Administration****Innovative Public Transportation Workforce Development Program (Ladders of Opportunity Initiative)**

**AGENCY:** Federal Transit Administration, DOT.

**ACTION:** Notice of Funding Availability.

**SUMMARY:** The Federal Transit Administration (FTA) announces a Notice of Funding Availability (NOFA) for the Innovative Public Transportation Workforce Development Program (Ladders of Opportunity Initiative). FTA has budgeted approximately \$9 million for this solicitation. This NOFA solicits proposals that promote innovative nationally and regionally significant public transportation workforce development models and programs that invest in America's economic growth and help build ladders of opportunity into the middle class for American workers.

**DATES:** Complete proposals are due by 11:59 p.m. EST on December 23, 2014.

**ADDRESSES:** All proposals must be submitted electronically through the *GRANTS.GOV* "APPLY" function. All entities intending to apply should initiate the process of registering on the *GRANTS.GOV* Web site immediately to ensure completion of registration before the submission deadline. Instructions for applying can be found in the "FIND" module of *GRANTS.GOV*. Mail and fax submissions will not be accepted.

**FOR FURTHER INFORMATION CONTACT:** For specific information regarding the areas of research targeted within this NOFA, please contact Betty Jackson, Workforce Development Program Manager, Office of Research, Demonstration and Innovation, phone: (202) 366-1730, fax: (202) 366-3765, or email: [betty.jackson@dot.gov](mailto:betty.jackson@dot.gov). A TDD is available at 1-800-877-8339 (TDD/FIRS).

**SUPPLEMENTARY INFORMATION:****I. Discretionary Program Overview***A. Authority*

Section 5322(b) of Title 49, United States Code authorizes FTA's discretionary Innovative Public Transportation Workforce Development Program, pursuant to which FTA makes grants to transit agencies and other entities to undertake workforce development activities, including those that create employment training programs, conduct outreach programs to increase minority and female employment in transit, conduct research on public transportation personnel and training needs, and provide training and assistance for minority business opportunities. Under this authority, FTA is issuing this funding opportunity for the Innovative Public Transportation Workforce Development, Ladders of Opportunity Initiative. FTA plans to fund nationally or regionally significant public transportation workforce projects that will assist in building ladders of opportunity for American workers to move into the middle class, as well as build the critical skillset needed in the public transportation industry.

FTA has budgeted approximately \$9,000,000 for the program. FTA may choose to fund the program for more or less than the announced amount, including applying any future appropriated funds toward the projects proposed in response to this NOFA. Future funding will depend in part on Congressional appropriation.

*B. Policy Priorities*

Supporting a highly-skilled transit workforce is critical to maintaining a competitive and efficient public transportation system. As public transportation experiences significant growth in the United States and investments continue in the physical capital of the nation's transit systems, it is essential to build and maintain the nation's human capital in public transportation as well.

FTA is seeking projects that create a new nationally or regionally significant workforce development program, or augment or replicate a successful

<sup>8</sup> 17 CFR 200.30-3(a)(12).