



## STREAM CREDIT MONITOR FOR REG T MARGIN

Financial services firms typically depend on multiple trading and back-office processing systems that are supported by a patchwork of automated and manual approaches to calculating margins. As a result, calculating up-to-date margin exposures for any instrument, much less understanding firm-wide exposure, can be a challenge.

This is particularly true of Reg T cash and margin rules, which are often referred to as one of the most convoluted and burdensome sets of regulations in the U.S. broker-dealer community. With Stream Credit Monitor, firms have a single, reliable solution for calculating Reg T margin according to their own credit policies, credit worthiness profiles, and client service standards.

### **Using workflow to do more with less**

Stream Credit Monitor helps firms better manage larger volumes with dramatically fewer false positives by relying on its integrity processing and automated workflow.

End users in margin and credit departments no longer have to “touch” each and every call event to re-calculate exposure based on specific account-level circumstances, or manually “tickle” calls to ensure that obligations are met on time. Stream Credit Monitor produces informational and warning events that are automatically segregated and prioritized based on each firm’s definitions and preferences. Many of these events self-abate and expire without requiring human intervention, allowing staff to focus on more compelling issues such as deteriorating credit circumstances or threshold violations.

### **Risk avoidance**

Effective Reg T processing is more than just issuing margin calls; it’s about being informed of risks while risk avoidance steps are still possible. Stream Credit Monitor enables users to input hypothetical account level and market-wide modeling scenarios and is flexible enough to support firms’ credit policies and the increasing credit sophistication of their clients.

Surviving onerous regulatory audits often depends on the level of transparency in a firm’s logs and credit enforcement processes. Stream Credit Monitor automatically prepares and maintains call and event logs, complete with time stamps and user input details to validate both manual and automated actions.

### **Pre-built strategy configurations**

Reg T processing centers on strategy-based margin requirements. Stream Credit Monitor provides a complete set of approved strategy configurations, including all complex options and their many wing-to-center-interval configurations. Users can enable only the strategies that compliment their credit policies. Firm-wide margin maintenance and house requirement rates, multipliers and other relative parameters are defined by the firm in their core rule set, but individual credit worthiness or specific asset class issues are often managed by Stream Credit Monitor’s convenient and powerful requirement override module. This module enables entitled users to override a firm-wide margin requirement, rate, or multiplier at the security or account level, delivering a customized margin requirement to fit the circumstance.

### **Real-time processing**

Triggered by changes in both portfolio positions and market valuations, Stream Credit Monitor continually analyzes the status of margin accounts based on real-time information and generates events for automated resolution when event-defined criterion are realized. This real-time processing structure makes other features of the solution, including automated call abatement by market appreciation, stock or cash deposit, and manual adjustment, even more powerful.

### **Additional functionality includes:**

**Combined account processing** – firms can construct a shell account comprised of individual cash or margin accounts. At set-up, the user selects whether the cash account is to be included or not. The positions, balances, and transactions in each sub account are combined in the shell account as if they were a single, functioning margin account. A short call in one account and long stock in another may be married to form a covered call strategy in the combined account.

**Guarantee/Guarantor** – firms can establish a seamless guarantee and reverse guarantee set of relationships – not just between two accounts but among multiple accounts on both sides of the relationship. During set-up users define the order accounts are guaranteed and reverse-guaranteed and establish limits of guarantor liability, all without violating day trade excess if one of them happens to be a patterned day trading account.

**A flexible and sophisticated day trade calculation, buying power, and blotter suite** – firms can manage the most demanding day traders and even algorithmic systems that require time and tick blotter capability to the millionth of a second.

**Cash accounts** – the settlement date accounting nature of cash accounts, which outnumber margin accounts by more than 5 to 1, presents unique and burdensome Reg T management requirements. Stream Credit Monitor can process both cash and margin account obligations on a source agnostic basis. This enables firms to manage cash calls, monitor and track free riding circumstances, automatically locking up free ride proceeds and systematically releasing them when the opening side becomes funded. This helps users recognize the difference between trade and non-trade short stock positions and the impact that their proceeds have on the usable settlement date balance.

A multi-currency solution, Stream Credit Monitor supports virtually all margin algorithms used by U.S. clearinghouses and the U.S. regulatory framework. Its powerful margin calculator and rule set technology helps enhance firms' competitive edge, giving them the means to manage credit, optimize their clients' buying power, and reduce operating expenses.

#### **KEY BENEFITS OF STREAM CREDIT MONITOR FOR REG T:**

- Manages cash and margin exposures in real-time and automatically issues and abates calls
- Provides a wealth of credit policy deviations and features
- Helps customers maximize their resources through workflow tools
- Alerts firms to developing exposures while they still have time to avoid them
- Offers multi-currency, U.S. dollar roll-up

#### **NEED MORE INFORMATION?**

Contact your sales representative at +1-800-825-2518 or visit us at [www.sungard.com/streamcreditmonitor](http://www.sungard.com/streamcreditmonitor).