Title: Expect brokers to make DRS'ing easier as we get closer
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Preface

The way I understand it, all brokers have is a "Trust me bro I have shares allocated to you" from the DTCC.

My brain is a smoother than a mango when it comes to this stuff, but:

Broker X

It seems that, let's say when a new purchase of 100 GME shares is made through 'Broker X', that broker then goes to the DTCC during settlement period, says "hey, I have 100 new shares of GME purchased here, please adjust accordingly", and the DTCC adjusts the shares allocated to that broker.

Since its all electronic, Broker X believes that the DTCC, which holds all the GME shares (except for those DRS'd), has allocated those 100 shares to it, which it then allocates to its customer. Now, as part of Broker X's business model, it can lend out these 100 shares to short-sellers for a bit of extra profit, which of course it'll take advantage of, especially if there's a bunch of people wanting to short the stock.

Dude, where's my shares?

One of the consequences of the splividend fiasco was that brokers started to realize the DTCC processed the splividend in a way which goes against GameStop's intent. Meaning instead of the DTCC *adding* the shares it was given via GameStop via ComputerShare to the already allocated shares to brokers, it instead just told the brokers to multiply their clients' holdings with a massive "Trust me Bro, I have the shares allocated to you".

This signals to Broker X that there simply aren't enough shares to go around, to be allocated to *all* the brokers, and the brokers are left holding the bag on all the 100 shares they lent out. If I were Broker X, the first thing I'd then do is raise the price of share lending of that stock. Now, on the off-chance that all these deranged internet kids actually manage to DRS the float, what would I want to do as Broker X, especially that I don't want to be holding the bag on these shares? Make DRS easier for them.

When a share is DRS'd out of a broker, it's the **DTCC's problem**, and no longer the broker's. Broker X in theory has 100 shares of GME allocated to it. Broker X has an 'IOU' of sorts from the DTCC for those 100 shares, and when a DRS transfer is processed, it signals to the DTCC to remove that allocated share from the broker and 'send' it to ComputerShare. In the event that the entire float is DRS'd, the broker is no longer on the hook for any shares as far as its customer is concerned - the customer DRS'd all 100 shares, **it's the DTCC's problem now.**

It's your problem now.

The idea that it takes a while for some brokers to DRS the shares because they need to *find* the shares is, IMHO, wrong. I think the splividend, either by design or as a consequence of, showed the brokers they're equally fucked in the event everything is DRS'd, and I think they'll continue to make it easier for people to DRS, lend out fewer shares, and make share lending more expensive.

Don't take anything I say seriously, once again, I'm a rambling smoothape.

TL,DR; **DRS. Everything.**