Insured Depositors.

NatixisNY's deposits are not insured by the FDIC. Therefore, NatixisNY's swaps activities do not, and providing NatixisNY with a reasonable transition period would not, directly expose insured depositors to the risks associated with cessation or divestiture.

The Deposit Insurance Fund (DIF).

The DIF bears the risks associated with resolving an insured depository institution, including one that has failed because of problems related to its swaps dealing. This risk includes payouts from the DIF to insured depositors of the institution. However, as noted, NatixisNY's deposits are not insured by the FDIC. Therefore, NatixisNY's swaps activities do not, and providing NatixisNY with a reasonable transition period would not, directly result in an exposure to the DIF.

Conclusion

As set out above, the Director has evaluated the impact of divestiture or cessation of NatixisNY's swaps dealing on mortgage lending, small business lending, job creation, and capital formation versus the potential negative impact on insured depositors and the DIF in determining the appropriate length of the transition period. The Director also has considered the fact that NatixisNY is required to conduct affected derivatives activities in a safe and sound manner and is subject to prudential supervision and regulation. Overall, the Director has determined that the potential impact of granting a 24-month transition period is less adverse than the potential impact of denying the transition period or providing a significantly shorter transition period. The lesser impact associated with a 24-month transition period results from lowering the probability of operational problems and market disruption that could occur if NatixisNY does not have a sufficient opportunity to restructure its swaps dealing in an orderly manner.

The 24-month transition period would permit NatixisNY to better evaluate whether to transfer the swaps activities to a third party or an affiliate(s) and which affiliate(s) is best positioned to accept its swaps business. The 24-month transition period also would permit the creation of a new affiliate(s) and allow for appropriate capital planning for any affiliate that assumes swaps activities. This transition period would also allow NatixisNY to evaluate its decisions in the context of further development of the regulatory requirements of Title VII.

In contrast, no transition period or a significantly shorter transition period could result in disorderly termination or divestiture of swaps activities and considerable disruption to swaps markets and financial markets that could weaken lending markets and result in a similar negative impact on job creation and capital formation.

After considering the written findings set forth above, and after consulting with the CFTC and the SEC, the Director, in consultation with the General Counsel, acting pursuant to delegated authority, has determined to establish a 24-month transition period under section 716(f) for NatixisNY beginning on July 16, 2013.

This approval is conditioned on the facts and representations set forth in NatixisNY's correspondence. These representations are deemed to be conditions imposed in writing by the Board in connection with the findings and decision herein and, as such, may be enforced in proceedings under applicable law. Any change in the facts and representations presented could result in a different conclusion and should be reported to Board staff immediately.

If you have any questions concerning this letter, please contact Victoria Szybillo, Counsel, at (202) 475-6325, or Michelle Kidd, Attorney, at (202) 736-5554, both of the Board's Legal Division.

Sincerely yours,

Robert deV. Frierson

Robert deV. Frierson
Secretary of the Board

cc: Ivan J. Hurwitz, Vice President
Federal Reserve Bank of New York