



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

March 18, 2010

Jay Levine, Esq.  
Head of RBS Global Banking  
& Markets, North America  
The Royal Bank of Scotland plc  
101 Park Avenue  
New York, New York 10178

Dear Mr. Levine:

On October 12, 2007, the Board approved a temporary exemption from section 23A of the Federal Reserve Act<sup>1</sup> to allow the branches of The Royal Bank of Scotland plc, Edinburgh, Scotland, to engage in reverse repurchase agreements and securities borrowing transactions with its affiliated broker-dealer in conjunction with actions the Board took simultaneously to provide insured depository institutions with access to term loans at the discount window.<sup>2</sup> These activities were intended to allow the branches to extend credit to market participants in need of short-term liquidity to finance the participants' holdings of certain mortgage loans and asset-backed securities.

The Board's approval noted that the exemption was temporary and available only as long as the special accommodation at the discount window was available.<sup>3</sup> On February 18, 2010, the Board announced that, in light of the continued improvement in financial markets, the typical maximum maturity for primary credit loans at the discount window would be shortened to overnight, effective March 18, 2010. In light of this normalization of the term for discount window loans, the Board has terminated the temporary section 23A exemption.

Very truly yours,

A handwritten signature in black ink, reading "Robert deV. Frierson".

Robert deV. Frierson  
Deputy Secretary of the Board

cc: Federal Reserve Bank of New York

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<sup>1</sup> 12 U.S.C. § 371c.

<sup>2</sup> Board letter to Jay Levine, Esq. (The Royal Bank of Scotland plc), dated October 12, 2007.

<sup>3</sup> Id.