

Initial Margin Securities Haircuts

August 11th, 2010

Pursuant to International Derivatives Clearinghouse, LLC (IDCH) rules, IDCH shall accept US Treasury and Federal Agency Securities from its clearing members for the purpose of clearing members' satisfying their IDCH initial margin requirements. Effective August 11th, 2010, the following haircuts shall be applied to US Treasury and Federal Agency Securities lodged with IDCH for initial margin.

International Derivatives Clearinghouse, LLC Initial Margin Securities Haircuts		
Security Duration	US Treasury Securities Haircuts	Direct Obligation Federal Agency Securities Haircuts
<i>0 months but less than 9 months</i>	0.50%	3.00%
<i>9 months but less than 12 months</i>	1.00%	3.00%
<i>1 year but less than 3 years</i>	2.00%	3.00%
<i>3 years but less than 5 years</i>	2.00%	3.00%
<i>5 years but less than 10 years</i>	3.50%	4.50%

The aforementioned haircuts apply to the following acceptable Federal Agency Securities: bills, notes and bonds directly issued by Fannie Mae, Freddie Mac, the Federal Home Loan Bank and the Federal Farm Credit Bank.

Additionally, IDCH shall accept mortgage backed securities guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac, with a remaining time to maturity of ten years or less. The haircut applied to all acceptable mortgage backed securities is 10%

Clearing Members may satisfy up to 25% of their total Initial Margin requirement in securities either directly issued or guaranteed by an acceptable Federal Agency.

If you have any questions concerning the lodging of securities for IDCH initial margin, please contact:

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