

November 6, 2018

## **ARRC Extends Comment Period for Feedback on Fallback Contract Language Consultations for Floating Rate Notes and Syndicated Business Loans until November 26**

The Alternative Reference Rates Committee (ARRC) announced that it is extending the comment period for public feedback on its LIBOR fallback contract language consultations for [floating rate notes](#) and [syndicated business loans](#) until November 26, 2018. In response to requests by market participants, the ARRC is extending the comment period to provide sufficient time to allow for more thorough feedback.

The consultations [were released](#) for public feedback on September 24, 2018. They outline draft language for new contracts that reference LIBOR so as to ensure these contracts will continue to be effective in the event that LIBOR is no longer usable. This effort is part of the ARRC's mandate to help in addressing risks in contracts referencing LIBOR and builds on its work developing the [Paced Transition Plan](#), which outlines the steps for an effective shift to the ARRC's recommended alternative reference rate, the Secured Overnight Financing Rate (SOFR).

These are the first consultations on fallback language released by the ARRC, which expects to consult on proposals for other cash products—including securitizations, bilateral loans, and consumer products—in the future.

Webinars held by ARRC members that discuss background for these efforts and review the draft consultations are also [available here](#).

### **Submitting Feedback about Consultations**

The ARRC is seeking feedback on each proposed approach and on the key issues involved. The consultations include multiple questions about each aspect of the suggested fallback provisions, and the ARRC intends to work closely with end users to solicit and incorporate their input. Comments should be sent to the ARRC Secretariat ([arrc@ny.frb.org](mailto:arrc@ny.frb.org)) no later than November 26, 2018. Comments will be posted on the ARRC's website as they are received without alteration except when necessary for technical reasons. Comments will be posted with attribution unless respondents request anonymity. Questions regarding the consultations should also be sent to the ARRC Secretariat ([arrc@ny.frb.org](mailto:arrc@ny.frb.org)) and will not be posted for attribution.

### **About the ARRC**

The ARRC is a group of private-market participants convened by the Federal Reserve Board and Federal Reserve Bank of New York in cooperation with the Bureau of Consumer Financial Protection, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Office of Financial Research, the Office of the Comptroller of the Currency, the Commodity

Futures Trading Commission, the Securities and Exchange Commission and the U.S. Treasury Department. It was initially convened in 2014 to identify risk-free alternative reference rates for USD LIBOR, identify best practices for contract robustness, and create an implementation plan with metrics of success and a timeline to support an orderly adoption. The ARRC accomplished its first set of objectives and identified SOFR as the rate that represents best practice for use in certain new USD derivatives and other financial contracts. It also published its [Paced Transition Plan](#), with specific steps and timelines designed to encourage adoption of SOFR. The ARRC was reconstituted in 2018 with an expanded membership to help to ensure the successful implementation of the [Paced Transition Plan](#), address the increased risk that LIBOR may not exist beyond 2021, and serve as a forum to coordinate and track planning across cash and derivatives products and market participants currently using USD LIBOR.

Sign up [here](#) to receive email updates about the ARRC.

### **Contact for General ARRC Inquiries & Comments**

[ARRC Secretariat](#)

### **Contact for ARRC Chair Sandra O'Connor**

[Andrew S. Gray](#)

JP Morgan Chase & Co

### **Contact for the Board of Governors**

[Darren Gersh](#)

### **Contact for the New York Fed**

[Suzanne Elio](#)