

August 9, 2022

### **ARRC Releases Loan Remediation Survey**

*Survey Seeks Information from Lenders and Borrowers on Plans to Remediate U.S. Dollar (USD) LIBOR Loans Ahead of LIBOR Cessation*

The Alternative Reference Rates Committee (ARRC) today released a [survey](#) seeking information on plans to remediate USD LIBOR loans. The survey is intended for both lenders and borrowers, asking about steps already under way and plans going forward to move to new rates or to update fallback language in USD LIBOR loans prior to June 30, 2023. The ARRC's recent [LIBOR Legacy Playbook](#) has encouraged movement to new rates ahead of the LIBOR cessation, where feasible, and emphasized the operational challenges involved in attempting to transition a large number of contracts after the LIBOR cessation date. The survey is being issued to assist the ARRC and market participants in assessing LIBOR transition readiness and the need to address any potential operational issues involved.

“With less than a year left, the ARRC urges all market participants to ensure they are ready for LIBOR’s end. We’ve seen new loan activity convincingly move to SOFR this year, but there is a large number of legacy LIBOR loans that still need to be addressed. Understanding market participants’ plans to remediate these loans will be key to assessing how ready the loan market really is. We encourage all loan market participants to respond to the survey.” said Tom Wipf, ARRC Chair and Vice Chairman of Institutional Securities at Morgan Stanley.

The ARRC asks respondents to enter their responses into the [spreadsheet](#), and to submit the spreadsheet by email to the [ARRC Secretariat](#) by September 7, 2022. As noted in the survey, individual firm responses will be maintained as confidential, and the survey results will be aggregated and anonymized prior to being published in order to preserve that confidentiality.

### **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 Commodity Futures Trading Commission, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the National Association of Insurance Commissioners, the New York Department of Financial Services, the Office of Financial Research, the Office of the Comptroller of the Currency, the U.S. Department of Housing and Urban Development, the U.S. 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 it recommends 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 support the voluntary adoption of SOFR. The ARRC was reconstituted in 2018

## ALTERNATIVE REFERENCE RATES COMMITTEE

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.

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