Matthew Tyler, Treasurer
Zions Bancorporation
1 S. Main Street, Suite 1700
Salt Lake City, Utah 84133

Dear ARRC secretary,

We find the ARM fallback language to be unacceptable for the following reasons:

1 – The SOFR rate based on trailing rates introduces a high level of basis. In a raising rate environment, the trailing average rate will not be representative of banks cost of funds.

2 – The basis between the trailing average and the forward looking average (which could only be calculated in arrears) would be a non-hedgeable risk.

3 – Using an average calculated in arrears would create problems on a consumer product where the rate needs to be known in advance for billing purposes.

As an alternative, we recommend that 1Y CMT be used as the index in ARM products. The basis between 1Y CMT and a banks 1Y funding cost should be much less volatile than the basis between an average SOFR calculated in advance and in arrears. GNMA already has mortgage products which reference 1Y CMT (H.15 treasury rates) for the reset period. There has always been sufficient trading in 1Y CMT to meet the standards IOSCO set for reference rates.

Sincerely,

Matthew Tyler

Corporate Treasurer and SVP

Zions Bancorporation as of 09/26/2019

Assistant Treasurer-Investments
Jeanine L Flint
Senior Vice President

Business Title:	Assistant Treasurer-Investments
Cost Center:	00219
Department Name:	Investments Department
Position #:	893
Base FTE:	1
Planned Head Count:	13
Current Head Count:	13
Planned FTE:	13.00
Current FTE:	13.00
Contingent Workers Head Count	0

Manager, Municipal Bonds
Jon G Dunfield
Vice President

Business Title:	Manager, Municipal Bonds
Cost Center:	00539
Department Name:	Public Treasures
Position #:	3294
Base FTE:	1
Planned Head Count:	8
Current Head Count:	8
Planned FTE:	8.00
Current FTE:	8.00
Contingent Workers Head Count	0

Financial Analyst
Kirsi P Hansen
Assistant Vice Presiden

Business Title:	Financial Analyst
Cost Center:	00539
Base FTE:	1
Position #:	1973

Financial Analyst
Emil A Vasylyev
Vice President

Business Title:	Financial A
Cost Center:	
Department Name:	Investments Depa
Position #:	
Base FTE:	
Planned Head Count:	
Current Head Count:	
Planned FTE:	
Current FTE:	
Contingent Workers Head Count	