SUBMIISSION REQUESTING ANONYMITY

Question 1: *If the ARCC were to adopt one or more sets of business loan fallback language, which one or both of the recommended provisions (i.e., amendment approach and/or hardwired approach), in your view, is an appropriate policy? If you believe the amendment approach is more appropriate at present, what specific information (for instance, existence of term SOFR) would you need in order to get comfortable eventually adopting a hard-wire approach? Why?*

A combination of a hardwired and amendment approach, first a mandated replacement rate for LIBOR would be established (SOFR (plus a spread adjustment) and issuers and lenders <u>must</u> use that rate. If unavailable, an alternative reference rate must be selected via amendment. Competing fiduciary responsibilities between lenders and issuers will always exist and a fair solution between these parties with respect to a material economic driver will be challenging to effectuate. A mandated, unbiased solution mandated to the market will ensure a consistent approach and orderly transition.

Question 12: *Do you believe that the ARRC should consider recommending a spread adjustment that could apply to cash products, including syndicated business loans?*

A spread adjustment should exist for all assets and liabilities impacted by the transition away from LIBOR. However, the spread must be calculated based on long-term averages, accounting for market cycles and periods of varying volatility. Spreads between secured and unsecured rates vary overtime and must be taken into consideration when setting an “evergreen” spread.

Question 7: *If you believe that Compounded SOFR should be included, would a Compounded SOFR in advance or Compounded SOFR in arrears be preferable for syndicated loans? Please explain*

Compounded in arrears would be preferable to ensure no material differential impact would exist and allows for the term rate to be forward-looking.

Question 21: *Are there operational concerns about having the ability to convert many loans over a very short period of time?*

Market participants (issuers, lenders, investors, etc.) must have confidence the transition will be orderly whether over a short or longer period. Lack of confidence by interested parties could have a material impact on the market as a whole. All impacted parties must be coordinated to ensure all outstanding loans are converted efficiently and all asset/liability relationships are appropriately positioned for the transfer (ex. floating rate CLO liability tranches).