

Alternative Reference Rates Committee (ARRC)

Minutes for the May 4, 2020 Meeting

The ARRC Chair noted that at the previous meeting on April 22, there was consensus support for the ARRC to finalize and release its recommended best practices as a single, comprehensive document as soon as practicable to help support the industry's transition away from LIBOR. Federal Reserve staff highlighted changes made to the draft recommended best practices document since the last meeting and the Chair opened a discussion on the latest draft. The Chair noted that members should provide their final feedback on the best practices document ahead of the next meeting.

Some members asked questions about the [Credit Sensitivity Group's \(CSG\) work](#). Federal Reserve staff reminded members that the CSG's work to consider a credit sensitive rate element in the lending markets as a supplement to SOFR is separate from and supportive of the work of the ARRC, and reiterated [remarks from Federal Reserve officials](#) that the ARRC's mandate had not changed and that SOFR remains the basis for the transition away from LIBOR.

Co-Chairs of the Market Structure and Paced Transition working group provided an overview of the group's work to develop a compensation approach that the ARRC could recommend to resolve the uncertainty associated with the transition to SOFR discounting for legacy swaptions. Members discussed the group's proposed recommendation, which was subsequently approved and [released](#).

The ARRC Chair thanked members for providing feedback on the draft supplemental spread adjustment consultation. The ARRC approved the consultation, which was subsequently [released](#).

Co-Chairs of the Operations/Infrastructure working group provided an overview of the [vendor readiness survey results and recommended best practices for vendors' transition to SOFR](#), which were subsequently released. The co-Chairs also provided an overview of a draft document intended to help guide the transition for market participants' internal systems and processes.

The ARRC member from ISDA provided an overview of the [preliminary results](#) of ISDA's consultation on the implementation of pre-cessation fallbacks for derivatives and noted that the final results would soon be [released](#).

In closing, the ARRC Chair noted that the ARRC would soon release a [document](#) to provide market participants with information about how the New York Fed's published SOFR Index may be referenced in floating rate notes.

Attendance at the May 4, 2020 Meeting*

ARRC Members

American Bankers Association	Hu Benton
Association for Financial Professionals	Tom Hunt
AXA	Julien Zusslin
Bank of America	Sonali Theisen
Bank of America	Greg Todd
BlackRock	Jack Hattem
Citigroup	Dina Faenson
Citigroup	Jeannine Hyman
CME Group	Agha Mirza
Comerica	Dave Shipka
CRE Finance Council	Lisa Pendergast
CRE Finance Council	Raj Aidasani
Deutsche Bank	Adam Eames
Deutsche Bank	Greg Coutu
Fannie Mae	Bob Ives
Federal Home Loan Bank	Phil Scott
Federal Home Loan Bank	Kyle Lynch
Ford Motor Company	Jason Behnke
Ford Motor Company	Nathan Herbert
Freddie Mac	Ameez Nanjee
GE Capital	Michael Taets
Goldman Sachs	Gigi Chavez de Arnavat
Goldman Sachs	Jason Granet
Goldman Sachs	Guillaume Helie
Goldman Sachs	Richard Chambers
Government Finance Officers Association	Pat McCoy
Government Finance Officers Association	Emily Brock
HSBC	Blair Selber
HSBC	Shirley Hapangama
Huntington	Beth Russell
Independent Community Bankers of America	James Kendrick
Intercontinental Exchange	Harvey Flax
International Swaps and Derivatives Association	Ann Battle
JP Morgan Chase & Co.	Andrew Gray
JP Morgan Chase & Co.	Emilio Jimenez
KKR	Tal Reback
LCH	Phil Whitehurst
Loan Syndications and Trading Association	Meredith Coffey
MetLife	Joe Demetrick
MetLife	Alex Strickler
MetLife	Kevin Budd
Morgan Stanley	Maria Douvas-Orme
Morgan Stanley	Matt Ochs

Morgan Stanley
Morgan Stanley
National Association of Corporate Treasurers
Pacific Investment Management Company
PNC
PNC
Prudential Financial
Prudential Financial
Securities Industry and Financial Markets Association
Securities Industry and Financial Markets Association
Structured Finance Association
Structured Finance Association
TD Bank
TD Bank
Wells Fargo
Wells Fargo
World Bank Group

Tom Wipf
Paige Mandy
Tom Deas
Scott Goodman
Andrew Wilson
Alexander Spiro
Chris McAlister
Gary Horbacz
Chris Killian
Rob Toomey
Jennifer Earyes
Kristi Leo
Greg Moore
Priya Misra
Alexis Pederson
Brian Grabenstein
Don Sinclair

Ex-Officio ARRC Members

Commodity Futures Trading Commission
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
Federal Housing Finance Agency
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Board of Governors
Federal Reserve Board of Governors
New York State Department of Financial Services
Office of Financial Research
Office of the Comptroller of the Currency
U.S. Department of Housing and Urban Development
U.S. Securities and Exchange Commission
U.S. Securities and Exchange Commission
U.S. Securities and Exchange Commission
U.S. Treasury
U.S. Treasury

Sayee Srinivasan
Abhishek Agarwal
Irina Leonova
Dan Coates
Adhiraj Dutt
Betsy Bourassa
Fatima Madhany
Jamie Pfeifer
Jennifer Hur
Justin Epstein
Lindsay Collins
Nathaniel Wuerffel
Ray Check
William Riordan
David Bowman*
Jeff Huther*
Steven Kluger
Matt McCormick
Kevin Walsh
Jose Fernandez
David Metzman
Michelle Danis
Tamara Brightwell
Chloe Cabot
Peter Phelan

Observers

Bank of Canada

BNP Paribas

Boston Consulting Group

Brunswick

Brunswick

Cadwalader

Deloitte

Ernst & Young

Morgan Lewis

Morgan Lewis

Oliver Wyman

Venerable

Sheryl King

Simon Winn

Roy Choudhury

Jeanmarie McFadden

Mustafa Riffat

Jason Halper

Alexey Surkov

Marc Saidenberg

Jon Roellke

Jonathan Justl

Adam Schneider

Charles Schwartz

*This meeting was held via conference call.