

Alternative Reference Rates Committee (ARRC)

Minutes for the February 9, 2023 Meeting

The ARRC Chair welcomed participants to the virtual meeting.

Federal Reserve staff then provided an overview of the USD LIBOR transition, using the charts provided in the [February 9 Meeting Readout](#).

ARRC members then discussed overall transition-related progress and issues observed in the market. Members noted some improvement had been made in the pace of remediation of leveraged loans, one of the key remaining market segments needing to accelerate the transition away from LIBOR ahead of June 30, 2023, but that further progress was needed. The ARRC observed that many syndicated loans that had adopted fallback language with an “amendment approach”, which does not prescribe a specific replacement rate and typically includes a negative consent provision, remain unremediated. ARRC members cautioned that failing to remediate contracts in time could pose various risks such as unnecessary uncertainty related to fallback outcomes as well as operational disruptions amid a pile up of unremediated contracts. In line with consistent official sector messaging, the ARRC emphasized the importance of remediation ahead of June 30, 2023 and encouraged further progress in the leveraged loan market.

The Operations/Infrastructure Working Group then provided an update on its work on the [DTCC's LIBOR Replacement Index Communication Tool](#) aimed at facilitating effective and efficient communication of rate changes via the LENS system. For U.S.-issued securities, the ARRC recommends that all determining persons, agents, and other parties responsible for disseminating information use this system as soon as available for communicating rate/conforming changes. It was noted that testing on the front-end data screens was completed on February 3rd, with good participation across the submitting community, comprised of issuers, trustees and agents. The working group and DTCC have also continued to work with market data providers to ensure their readiness to accept these messages. DTCC's LIBOR Replacement Index Communication Tool is expected to move into production on February 27. The Working Group continued to collaborate with DTCC to create a centralized LIBOR transition site to house documents on [how to use the new tool](#), FAQ's and additional LIBOR transition [background information](#).

Next, the Term Rate Task Force provided an update on its discussions around its [existing ARRC best practice recommendations on the scope of use of Term SOFR](#), which were guided by the [principles](#) set out by the ARRC and are in line with [guidance](#) issued by the Financial Stability Board. The Task Force noted that awareness of the existing ARRC best practice

recommendations on the scope of use of Term SOFR could benefit from the publication of additional information and illustrative examples of the practices in use. Accordingly, the ARRC is working on a draft of such a publication. The ARRC will also continue to assess the use of Term SOFR in relation to its recommended scope of use and guiding principles.

The ARRC Chair ended the meeting by requesting members to review and finalize the [February 9 Meeting Readout](#). The ARRC Chair then thanked the members and noted that the next ARRC meeting will be held in person on March 9th.

Attendance at the February 9, 2023 Meeting*

ARRC Members

American Bankers Association	Hu Benton
American Bankers Association	Sayee Srinivasan
Association for Financial Professionals	Tom Hunt
Bank of America	Janet Choi
Bank of America	Sonali Theisen
Bank of New York Mellon	Oliver Bader
Bank of New York Mellon	Jason Granet
Bank of New York Mellon	Jeanne Naughton-Carr
BlackRock	Jack Hattem
Citigroup	Peter Phelan
Citigroup	Luis Asturizaga
Citigroup	Rodrigo Fernandez
CME Group	Agha Mirza
Comerica	Mathew Cornish
CRE Finance Council	Lisa Pendergast
CRE Finance Council	Raj Aidasani
Deutsche Bank	Kayam Rajaram
Equitable Life	Julien Zusslin
Fannie Mae	Robert Ives
Fannie Mae	Wells Engledow
Federal Home Loan Bank of New York	Rei Shinozuka
Federal Home Loan Bank of New York	Philip Scott
Ford	Jason Behnke
Freddie Mac	Sam Chapin
Freddie Mac	David Hays
Freddie Mac	Karen Pilewski
Freddie Mac	Guim Barbour
Freddie Mac	Allan Krinsman
GE	Michael Taets
GE	Fred Robustelli
Goldman Sachs	Guillaume Helie
Government Finance Officers Association	Emily Brock
Government Finance Officers Association	Cindy Harris
HSBC	Oresta Mehta
HSBC	Neil Middleton
Intercontinental Exchange	Harvey Flax
International Swaps and Derivatives Association	Ann Battle
JP Morgan Chase & Co.	Alice Wang
JP Morgan Chase & Co.	Emilio Jimenez

JP Morgan Chase & Co.
KKR
London Clearing House
Loan Syndications and Trading Association
Loan Syndications and Trading Association
MetLife
MetLife
Morgan Stanley
Morgan Stanley
Morgan Stanley
National Association of Corporate Treasurers
PGIM
PIMCO
PNC
Prudential Financial
Securities Industry and Financial Markets Association
TD Bank
TD Bank
U.S. Chamber of Commerce
Wells Fargo
World Bank

Keith Stephan
Tal Reback
Phil Whitehurst
Meredith Coffey
Tess Virmani
Joseph Demetrick
Alex Strickler
Tom Wipf
Maria Douvas-Orme
Matt Ochs
Tom Deas
Gary Horbacz
Jerry Woytash
Andrew Wilson
Chris McAlister
Chris Killian
Priya Misra
Sumant Gupta
Kristen Malinconico
Alexis Pederson
Don Sinclair

Ex-Officio ARRC Members

Commodity Futures Trading Commission
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
Federal Housing Finance Agency
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 Board of Governors
Federal Reserve Board of Governors
Ginnie Mae
Ginnie Mae
Office of the Comptroller of the Currency

Alicia Lewis
Abhishek Agarwal
Irina Leonova*
Daniel Coates
Muna Sisay
Pooja Gupta
Sophie Legrand-Green
Jamie Pfeifer
Scott Sherman
Nathaniel Wuerffel
Justine Hansen
Carolyn Windover
Mari Baca
Jeffrey Huther
David Bowman
Carol Vilsack
Diego Leguizamon
Kevin Walsh

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
U.S. Treasury
U.S. Treasury

Ang Middleton
Maria Chelo De Venecia
Michelle Danis
Jason Leung
Robert Errett
Joshua Frost
Sally Au Yeung
Thomas Teles
Dini Ajmani

Observers

Bank of Canada
BNP Paribas
Cadwalader
Morgan Lewis
State Street
Venerable

Sheryl King
Simon Winn
Lary Stromfeld
Jon Roellke
Scott Longo
Charles Schwartz

*This meeting was held via WebEx; asterisk indicates participation by dial-in.