

Alternative Reference Rates Committee (ARRC)

Minutes for the June 17, 2021 Meeting

The ARRC Chair welcomed participants to the virtual meeting and reminded members of the outstanding ISDA [consultation](#) on fallbacks for certain benchmark swap rates published by the ICE Benchmark Administration (IBA).

The ARRC Chair noted the June 8, 2021 [announcement](#) by the Interest Rate Benchmark Reform Subcommittee of the CFTC's Market Risk Advisory Committee ("MRAC") proposing that the MRAC adopt, as a recommended market best practice, that interdealer brokers change USD linear swap trading conventions from USD LIBOR to SOFR on July 26, 2021. The Chair also highlighted the recent [FSOC meeting](#) and the messages from Principals on the importance of accelerating the transition from LIBOR, of choosing robust reference rates in the transition, and the importance of transitioning derivatives and capital markets to SOFR for financial stability reasons.

The Business Loans Working Group provided an update on recommended term SOFR and SOFR compounded in advance conventions. The Chair noted the Working Group plans to publish the recommended conventions before the proposed July 26, 2021 SOFR First switch date so that the conventions will be available for parties to use voluntarily as they see fit, in their independent discretion, once the ARRC formally recommends the CME term rate.

The ARRC discussed the fallback waterfall recommendations the ARRC would need to make in connection with the NY legislation for 1-week and 2-month USD LIBOR given that those rates will end as of this year. ARRC members were reminded that the recommendations should be based on SOFR under the NY legislation and that there is no expectation that either a 1-week or 2-month SOFR term rate will be published and, therefore, it was expected that the ARRC's forthcoming recommendations would be based on SOFR in arrears or in advance as appropriate to the product.

The ARRC Chair then asked members who recused themselves from the Term Rate RFP work to drop off the line. Federal Reserve staff described the high-level, anonymized, and aggregated results of a survey of ARRC members on the scope of use of any ARRC-recommended SOFR Term Rate. The ARRC then reviewed a draft of the proposed approach for the recommended scope of use of ARRC-recommended SOFR Term Rates that had been developed by the ARRC's Term Rate Taskforce. The ARRC Chair led a discussion on the approach. Members were supportive of the approach.

The ARRC Chair closed the meeting by thanking everyone, noted an invite would be sent for a follow-up meeting to continue the term rate scope of use discussion, and reminded everyone of the next regularly-scheduled ARRC meeting to be held on July 14 via Webex.

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In a follow-up call on June 29, ARRC members who had not recused themselves from the Term Rate RFP work continued discussion on the recommendations related to scope of use of the Term Rate. The ARRC members provided feedback on an updated draft and identified areas that required further work by the Term Rate Taskforce.

Attendance at the June 17, 2021 Meeting*

ARRC Members

American Bankers Association	Hu Benton
Bank of America	Greg Todd
Bank of America	Janet Choi
Citigroup	Jeannine Hyman
Citigroup	Josie Evans
Citigroup	Tania (Yuanyuan) Yue
CME Group	Agha Mirza
Comerica	Dave J Shipka
CRE Finance Council	Raj Aidasani
CRE Finance Council	Sairah Burki
Deutsche Bank	Adam Eames
Deutsche Bank	Kayam Rajaram
Equitable	Julien Zusslin*
Fannie Mae	Wells Engledow
Federal Home Loan Bank	Kyle Lynch
Federal Home Loan Bank	Phil Scott
Federal Home Loan Bank	Rei Shinozuka
Ford Motor Company	Jason Behnke
Freddie Mac	Ameez Nanjee
Freddie Mac	Karen Pilewski
Freddie Mac	Michelle Thomas
GE Capital	Fred Robustelli
Goldman Sachs	Alan Farrell
Goldman Sachs	Guillaume Helie
Government Finance Officers Association	Emily Brock
HSBC	Shirley Hapangama
Huntington Bank	Beth Russell
Independent Community Bankers of America	Chris Cole
Independent Community Bankers of America	James Kendrick
Intercontinental Exchange	Harvey Flax
International Swaps and Derivatives Association	Ann Battle
JP Morgan Chase & Co.	Alice Wang
JP Morgan Chase & Co.	Emilio Jimenez
KKR	Tal Reback
LCH	Philip Whitehurst
Loan Syndications and Trading Association	Meredith Coffey
MetLife	Alex Strickler
MetLife	William Ding
Morgan Stanley	Maria Douvas-Orme
Morgan Stanley	Matt Ochs
Morgan Stanley	Paige Mandy

Morgan Stanley
National Association of Corporate Treasurers
National Association of Corporate Treasurers
Pacific Investment Management Company
PIMCO
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
US Chamber of Commerce
US Chamber of Commerce
Wells Fargo
Wells Fargo
Wells Fargo

Tom Wipf
Sarah Boyce
Tom Deas
Gerard (Jerry) Woytash
Jerome Schneider
Andrew Wilson
Chris Mcalister
Gary Horbacz
Chris Killian
Rob Toomey
Jennifer Earyes
Kristi Leo
Greg Moore
Priya Misra
Tom Quadman
Matthew Mullins
Alexis Pederson
Brian Grabenstein
Readie Callahan

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 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
Federal Reserve Board of Governors
Federal Reserve Board of Governors
Office of Financial Research
Office of the Comptroller of the Currency

Alicia Lewis
Abhishek Agarwal
Irina Leonova
Daniel Coates
Betsy Bourassa
Caitlin Briglio
Cam Fuller
Caren Cox
Fatima Madhany
Heidy Medina
Jamie Pfeifer
Justine Hansen
Megan Zirinsky
Nathaniel Wuerffel
Ray Check
Scott Sherman
William Riordan
David Bowman
Erik Heitfeld
Evan Winerman
Jeffrey Huther
Robert Kahn
Kevin Walsh

U.S. Securities and Exchange Commission
U.S. Securities and Exchange Commission
U.S. Treasury
U.S. Treasury
U.S. Treasury

Jason Leung
Michelle Danis
Chloe Cabot
Daniel Harty
Joshua Frost

Observers

Bank of Canada
BNP Paribas
Brunswick
Cadwalader
Deloitte
Ernst & Young
Morgan Lewis
Oliver Wyman
Venerable

Sheryl King
Simon Winn
Jeanmarie Mcfadden
Lary Stromfeld
Alexey Surkov
John Boyle
Jon Roellke
Adam Schneider
Charles Schwartz

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