

In its March [2021 Progress Report](#), the ARRC estimated that roughly \$223 trillion of legacy USD LIBOR (LIBOR) exposures were outstanding as of end 2020. Of that, \$74 trillion was estimated to mature after June 30, 2023, when the remaining USD LIBOR panels will cease. While over 90 percent of the \$74 trillion are in derivative products, which are either centrally cleared and covered by CCP rulebooks or can be (and in most cases, have been) remedied through adherence to the International Swaps and Derivatives Associations' (ISDA) [IBOR Protocol](#), around \$5 trillion of the remaining LIBOR exposures are in cash products. The ISDA protocol has allowed market participants to adopt a uniform set of robust fallbacks into their legacy derivatives contracts and a simple mechanism to determine which contracts are covered by those fallbacks. In contrast, cash products do not have the benefit of a protocol process; instead, cash products have a range of fallbacks and currently there is no simple way, other than in many cases manual effort, to determine what the fallback for each contract is. Careful work will be needed to communicate the associated rate changes to counterparties to these contracts.

As the ARRC has repeatedly emphasized, its recommendations are voluntary, and market participants must each make their own independent decisions about how best to transition their existing contracts to an alternative rate upon the cessation of USD LIBOR. To assist market participants in those efforts, this Playbook describes the existing broad frameworks in place to support the transition of legacy LIBOR cash products. This Playbook is not intended to provide legal advice, only to provide tools and resources to assist in the transition. It includes a compilation of publications by the ARRC and other available reference material to assist market participants in ensuring that the transition from LIBOR is operationally successful.

Thanks to the recent passage of the [Adjustable Interest Rate \(LIBOR\) Act](#) (LIBOR Act), contracts that reference USD LIBOR and are governed under US law should now have some form of workable fallback, but market participants still must ensure that the operational implementation of those fallbacks is successful. Preparation is especially important given the large number of legacy contracts that will need to transition from LIBOR; the scale of transition for USD LIBOR legacy products is far greater than for the other LIBOR currencies and market participants will need to plan accordingly.

Successful implementation of fallbacks will require several steps:

- First, if market participants have not yet done so, they should conduct a thorough assessment of the fallbacks that are embedded (either contractually or through legislation) in every LIBOR contract.
- Because of the large number of contracts that will need to transition, the ARRC continues to encourage remediating those contracts where feasible to reference SOFR before June 30, 2023.
- Finally, for those LIBOR contracts that remain, market participants will then need to adopt plans to communicate each contract's fallback with the affected parties. They will need to make sure that they have sufficient resources allocated to ensure that these rate changes are successfully put in to effect.

I. Contract Assessment

The first of three steps that the ARRC recommends is for market participants to assess the fallback terms of their USD LIBOR contracts in consultation with their legal counsel, including but not limited to the trigger events, fallback language, and jurisdiction of law that the contract is governed under. These factors will help to determine how the contract will function upon the determination of LIBOR's cessation or non-representativeness, and also the legal framework under which they will operate. In particular, if they have not already done so, counterparties should categorize for each contract the features of the contract that will determine the timing and nature of the fallback, including as described below the trigger events, fallback rate, and the governing law of the contract:

Trigger Events

Counterparties should determine whether each contract:

1. Includes a pre-cessation trigger (as included in the ARRC's recommended fallback language or ISDA's IBOR Protocol) or language to similar effect that removes LIBOR if it is determined by the U.K. Financial Conduct Authority (FCA) to be no longer be representative of its underlying market, or
2. Does not include a pre-cessation trigger

Fallback Rate

Counterparties should determine whether each contract:

- a. Includes ARRC-recommended hardwired fallback language or other hardwired language that will fallback to SOFR or some other specific non-LIBOR rate;
- b. Has a determining person that will select the replacement rate rather than a hardwired fallback;¹ or
- c. Has no fallback language, or fallback language that only refers to a previous LIBOR setting or a dealer poll (or surveys or inquiries for quotes or information) on interbank rates.

Governing Law

Counterparties should also determine whether each contract is governed under:

- i. US law (including any US state laws); or
- ii. Foreign law (EU law, English law, other)

As noted above, this Playbook is not meant to provide legal advice, nor is it meant to be comprehensive; market participants should consult with their legal advisors to understand the specific nature of their contracts and the likely outcomes based on the contractual terms and applicable law. While specific

¹ The LIBOR Act defines the term "determining person" to mean, with respect to any LIBOR contract, any person with the authority, right, or obligation, including on a temporary basis (as identified by the LIBOR contract or by the governing law of the LIBOR contract, as appropriate) to determine a benchmark replacement.

outcomes will depend on the precise details of any given contract and the laws it is governed under, the table below is meant to depict, in broad terms, what generally could be expected to occur after June 30, 2023 for different potential combinations of trigger events, fallback rates, and jurisdiction.

Anticipated Status of Different Broad Categories of USD LIBOR Contracts After June 30, 2023^a			
Trigger Events/Governing Law:			
Fallback Type:	Precessation Trigger Included	No Precessation Trigger, Contract under US law	No Precessation Trigger, Contract under foreign law
Hardwired fallback to ARRC recommended or other specific rate	Contract will move to ARRC recommended or other specified hardwired replacement after June 30, 2023	Contract may reference synthetic LIBOR, if published, until LIBOR ceases publication, then move to the hardwired replacement rate	Contract likely to reference synthetic LIBOR, if published, until LIBOR ceases publication, then to move to the specified replacement rate
Fallback to be selected by a Determining Person	Contract will move to rate selected by Determining Person after June 30, 2023 or to the Fed selected replacement if the Determining Person does not choose any replacement	Contract will move to Fed selected replacement after June 30, 2023 if Determining Person chooses it or does not choose any replacement, but may remain on synthetic LIBOR, if published, otherwise, until LIBOR ceases publication and then move to the rate selected by the Determining Person	Contract likely to reference synthetic LIBOR, if published, until LIBOR ceases publication, then to move to rate selected by Determining Person
No fallback, or only references to dealer polls or previously published LIBOR values	Contract will move to Fed selected replacement after June 30, 2023	Contract will move to Fed selected replacement after June 30, 2023	Contract likely to reference synthetic LIBOR, if published, until LIBOR ceases publication, then may convert to fixed rate (if a previous LIBOR value is referenced) or may be subject to legal uncertainty

^aSpecific outcomes will depend on the precise details of any given contract and the laws it is under; market participants should consult with their legal advisors to understand the exact nature of each contract they are a party to.

As noted in the table, contracts that have ARRC-recommended fallback language or other language that includes a pre-cessation trigger should be expected to move to the rate specified in the contract (or selected by a determining person if the contract specifies) in the terms laid out within the contract, generally at the first interest reset date after June 30, 2023. Contracts that are under US law and do not have a hardwired replacement rate or for which a determining person does not select an alternative replacement rate should be directly covered by Federal Reserve’s rulemaking under the LIBOR Act.

Other types of contracts may have more complicated outcomes, depending on whether the FCA requires temporary publication of one of more USD LIBOR rates using a synthetic methodology after June 30, 2023. The FCA has previously required ICE Benchmark Administration (IBA) to produce synthetic versions of 1-, 3-, and 6-month sterling and Japanese yen LIBOR. In both cases, these rates were published with the understanding, codified by the formal declaration of the FCA, that they were no longer representative of the underlying market that LIBOR was meant to represent and that use of the rates was to be limited and only intended for “tough” legacy products. The FCA has previously stated that it would consider the case for temporary publication of 1-, 3-, or 6-month synthetic USD LIBOR rates, and has now recently published

a [consultation](#), one chapter of which seeks information on exposures to USD LIBOR and market participants' plans to transition these away from LIBOR before or at end-June.²

The FCA consultation focuses on USD LIBOR contracts that are not governed by US law, on the grounds that contracts under US law should either already have workable fallbacks or will be covered by the LIBOR Act. Nonetheless, as noted in the table, it is possible that certain contracts under US law may continue to reference synthetic LIBOR if the FCA compels publication of such rates; in particular, those contracts that do not include a pre-cessation trigger but have a hardwired fallback rate or a determining person that elects to move to some other rate than the one selected by the Federal Reserve. Parties to these contracts should closely monitor future FCA communications on USD synthetic LIBOR and consult with their legal counsel as to the possible impacts of a synthetic USD LIBOR.

Of course, contracts may have other terms that are material in understanding what will occur after June 2023.³ In this regard the table is meant to be indicative. And contracts under laws that are outside the United States will of course need to be evaluated on a case-by-case basis under the laws that they are subject to. Both the European Union and the United Kingdom have benchmark legislation in place, which are intended to aid in the transition from LIBOR, but these each work somewhat differently than the US LIBOR Act:

- As noted above, the UK Benchmark Regulation provides the FCA with the authority to compel IBA to continue to publish LIBOR rates using a “synthetic” methodology for a period of time.
- For contracts that are subject to the laws of one of the EU Member States, the European Commission may choose to designate one or more replacements for LIBOR in the event that LIBOR ceases publication or is found to be no longer representative. These replacement rates would only apply contracts or financial instruments that do not have fallback provisions or that have fallback provisions that are considered to not be sufficiently robust.

Most other jurisdictions have thus far not passed specific legislation aimed at the transition from LIBOR; for contracts governed by the laws of those jurisdictions, counterparties will need consult with their legal counsel to assess the status of their contractual fallbacks under the standard laws applicable to commercial contracts in these regions. If the contract does not have a pre-cessation trigger, then it may continue to reference LIBOR if LIBOR continues to be published using a synthetic methodology under the FCA's powers of compulsion. These synthetic rates may serve to allow these contracts to continue to perform, as they would under English law.

ARRC Best Practice Recommendations Related to Contract Assessment

- Counterparties should assess each LIBOR contract they are party to and construct a full assessment of the all the fallback terms, including trigger events, fallback rates, and governing laws of each in consultation with their legal advisors.

² The FCA consultation also seeks views on when to end publication of the synthetic sterling LIBOR rates; the yen synthetic LIBOR rates are set to cease publication at the end of this year.

³ For example, certain contracts that referred to the FHLBank San Francisco COFI index that recently ceased publication had provisions that required changes to other terms of the contract, including to the margin.

- Counterparties to contracts for which there is a Determining Person who is meant to select a replacement rate to LIBOR should ensure that they understand exactly who the determining person is in each contract of this type – for example, it may be the issuer, calculation agent, or trustee.
- Parties to contracts that are covered by the LIBOR Act should monitor the Federal Reserve’s rulemaking under the Act.
- Parties to contracts that do not have a pre-cessation trigger and that may be impacted by a decision by the FCA to require publication of synthetic USD LIBOR rates should consider responding to the FCA’s consultation and should monitor any communications from the FCA in regard to the potential publication of synthetic USD LIBOR rates. Likewise, parties to contracts that are subject to the EU Benchmark Regulation should monitor any communications from the European Commission in regard to the potential use of its powers to designate replacement rates for LIBOR.

Reference Materials

More details on the precise benchmark replacement rate methodology under the Federal legislation is expected to follow; the legislation gives rule making authority to the Federal Reserve Board, which is expected to issue and finalize its rules over the next several months. The ARRC’s recommended spread-adjusted SOFR fallbacks for LIBOR contracts that are referenced in the ARRC’s fallback language, however, have already been set. The ARRC has identified Refinitiv to publish its recommended spread-adjusted fallbacks, as an available tool for those seeking to refer to an all-in, spread-adjusted rate matching the ARRC recommended rates, and Refinitiv has secured the necessary licensing agreements with CME to publish these rates. The ARRC believes that Refinitiv’s publication of its recommended spread-adjusted fallback rates will be especially helpful for legacy consumer loans, where consumers will need clear and simple resources that can provide them access to the new rate that will replace LIBOR in their contracts.

ARRC Recommended Fallbacks:

[Summary of the ARRC’s Fallback Recommendations](#)
[Refinitiv USD LIBOR Cash Fallbacks](#)

Federal and State Legislation:

[Consolidated Appropriations Act, 2022 \(Adjustable Interest Rate \[LIBOR\] Act starts on page 1954\)](#)
[FAQs Regarding New York State LIBOR Legislation](#)

Synthetic LIBOR and EU Regulation:

[FCA LIBOR Transition resources](#)
[FCA Consultation Paper 22/11 Winding Down Synthetic Sterling LIBOR and US Dollar LIBOR](#)
[Statement of Policy on the exercise of the FCA’s powers under Article 23D BMR](#)
[Benchmarks Regulation: our powers, policy and decision-making | FCA](#)
[EU Regulation 2016/1011 designation of replacements for certain benchmarks in cessation](#)

II. Contract Remediation

In its 2019 [Practical Implementation Checklist](#), the ARRC recommended that counterparties remediate LIBOR contracts where they were able to do so:

For existing contracts that reference LIBOR, define an approach and prioritization strategy for renegotiating / repapering contracts so as to include enhanced fallbacks or other amendments simplifying transition. The approach should consider the work required to remediate in advance and how to realize economies of scale. As soon as possible, begin either (a) amending contracts to incorporate enhanced fallback language, or (b) determining if contracts can be renegotiated or closed out prior to end-June 2023.

The ARRC continues to recommend that parties remediate LIBOR contracts where possible. However, given that the end of LIBOR is now less than a year away, the ARRC further recommends that in most circumstances counterparties now consider remediating their contracts by moving out of LIBOR rather than by updating the contractual fallback. The ARRC recommends that, where feasible and appropriate to the circumstances, parties remediating their contracts consider moving their contracts from LIBOR to SOFR ahead of the LIBOR cessation for several reasons:

- Remediating contracts by moving off LIBOR can allow counterparties to set the terms of the LIBOR transition that best suit them, rather than needing to rely on fallback language or the LIBOR Act to set those terms.
- Even in cases where the contract is deemed to have a workable fallback, counterparties still need to assess whether they are in a position to operationally handle the potentially large number of contracts that may be changing after June 30, 2023. Remediating contracts by moving them out of LIBOR before this date will help to lessen those operational challenges. These potential operational challenges may be greatest for products such as business loans, where many banks will face the prospect of converting a large number of loan agreements across many borrowers over a short period of time if they do not attempt to work down the stock of LIBOR loans before June 30, 2023.

For cleared derivatives, [LCH](#) and [CME](#) have both issued proposals to convert their cleared USD LIBOR derivatives to SOFR ahead of June 30, 2023. Counterparties to OTC derivatives could likewise consider transitioning to SOFR before LIBOR's end, particularly as SOFR has replaced LIBOR as the dominant rate in both cleared and uncleared derivatives transaction volumes. However, for any counterparties to bilateral OTC derivatives who choose not to transition before June 30, 2023, the ARRC recommends that they adhere to the [ISDA IBOR Protocol](#). The ISDA protocol allows for the automatic incorporation of the fallback recommendations for those contracts where both parties to the contract have adhered to the Protocol. The fallbacks in ISDA documentation similarly fall back to a version of SOFR plus a spread adjustment established via marketwide consultation to reflect historical differences between LIBOR and SOFR.

In cash markets, the ARRC recognizes that because debt and securitization instruments issued under US law typically require unanimous consent of all holders to amend, they are difficult to remediate. These securities often fallback to the last published value of LIBOR and would be covered under the LIBOR Act, also making remediation a less pressing issue. Nonetheless, the ARRC would still recommend that parties

carefully assess contractual fallbacks as discussed in Section I and consider the feasibility and desirability of remediating these contracts, recognizing the difficulties involved. While business loans are easier to remediate than most securities, the ARRC also recognizes that there are circumstances in which it may be preferable to rely on hardwired fallbacks, if already in place, than to seek to move from LIBOR ahead of June 30, 2023.⁴

In contrast to the United States, debt and securitizations issued under English and EU law generally do not require unanimous consent to amend the benchmark rate, and as a result, there has been significantly more remediation of sterling and other non-dollar LIBOR debt and securitizations. UK authorities have continued to stress that counterparties should remediate these contracts ahead of June 30, 2023 and that they expect significant progress to be made before the USD LIBOR panel ends.

USD LIBOR ICE Swap Rates

Because they are based on prices for swaps that reference USD LIBOR, the USD LIBOR ICE Swap Rates are expected to end after June 30, 2023, but contracts referencing these rates are not covered by the LIBOR Act. The ARRC has published a [recommended fallback formula](#) for these rates that can be considered for use after LIBOR ends, but these fallback rates can only be implemented if they are included in the contractual fallback language. ISDA has published a supplement (supplement 88) to the 2006 ISDA Definitions and updated its 2021 Definitions to incorporate ARRC-recommended fallbacks for the USD LIBOR ICE Swap Rates, and has published a [module](#) to its 2021 protocol that allows adhering counterparties to incorporate these fallbacks into their legacy instruments. The ARRC has [recommended](#) adherence to this protocol.

There are also some debt instruments and consumer loan contracts that reference USD LIBOR ICE Swap Rates, and the ARRC has previously noted that these instruments may not have workable fallback language. Because they are not covered by the LIBOR Act, the ARRC recommends that issuers take active steps to address these securities if they do not have workable fallback language. Even in the context of securities issued under US law, although they have been less common, debt exchanges or buybacks may be a feasible way to address these instruments. The Federal Farm Credit Banks Funding Corporation conducted a successful LIBOR debt exchange in 2020, exchanging \$1.6 billion of LIBOR debt, 83 percent of the amount offered, for new debt with more robust fallback language.

ARRC Best Practice Recommendations Related to Contract Remediation

- Counterparties to OTC LIBOR derivatives contracts should adhere to ISDA’s IBOR Protocol and consider novating these contracts to move from LIBOR to SOFR prior to June 30, 2023. Counterparties to centrally cleared derivatives should monitor and understand the processes to be instituted by the relevant CCPs to move the LIBOR contracts they clear to SOFR.

⁴ For example, some lenders have relied on versions of the “hedged loan approach” to hardwired fallback language described in the ARRC’s recommended fallback language for bilateral business loans, and this language is designed to allow both the loan and associated derivative hedges to transition at the same time after June 30, 2023 in order to preserve the hedging relationship for their borrowers.

- Counterparties to derivatives referencing USD LIBOR ICE Swap Rates should quickly move to adhere to ISDA’s protocol covering these instruments.
- Counterparties to USD LIBOR debt and securitization instruments under US law that do not have pre-cessation triggers and clear, hardwired replacement rates and that are not directly covered by the LIBOR Act should consider the feasibility and desirability of remediation.
- Counterparties to debt and securitization instruments that reference the USD LIBOR ICE Swap Rates and that do not have pre-cessation triggers and clear, hardwired replacement rates, should strongly consider steps to remediate contracts, including considering the use of buybacks or exchanges.
- Counterparties to securities contracts under foreign law should not rely on the potential publication of any synthetic USD LIBOR rates, nor assume that the EU will exercise its powers; accordingly, counterparties should work to remediate any contracts that do not have suitable fallbacks and are feasible to amend prior to June 30, 2023.
- Where business loans are being remediated or opportunities for renegotiation or renewal are available, both business loan lenders and borrowers should consider moving their loan agreements away from LIBOR prior to June 30, 2023, especially in cases where the number of LIBOR loans issued by the lender are large enough to pose potential challenges to operationalizing a wave of loan transitions in the period immediately following June 2023.

Reference Materials

[ISDA IBOR Protocol](#)

[ARRC Recommendations for Contracts Linked to the USD LIBOR ICE Swap Rate](#)

[June 2022 Benchmark Module of the ISDA 2021 Fallbacks Protocol](#)

[Federal Farm Credit Banks Funding Corporation Announces Final of Exchange Offer](#)

III. Fallback Communication and Implementation

As noted above, while adhering to the ISDA IBOR Protocol allows derivatives to fallback to a uniform replacement rate and a mechanism to easily determine which contracts are covered by the protocol, cash products may potentially fallback to a range of SOFR or other rates, and there is currently no single, organized mechanism to communicate what the fallback rate to any given contract will be. Parties will need to consider carefully appropriate communications strategies. The ARRC recognizes that such considerations will necessarily entail analyses of parties’ respective legal and operational roles in transactions, and this underscores the importance of parties’ completing their contract assessments and engaging in candid discussions of any perceived ambiguities or other issues with counterparties.

For contracts that provide for a determining person to select the replacement rate, there is an added step that needs to be taken, in that the determining person first needs to select the rate they intend to use to replace LIBOR. In the ARRC's Best Practice Recommendations the ARRC made general recommendations, for consumer loans and non-consumer cash products, as to the timing that such decisions should be made. The ARRC has updated the recommendations below to reflect the June 30, 2023 end date for USD LIBOR:

Servicers of any consumer loans using USD LIBOR and maturing after June 2023 should have developed robust programs for notifications and consumer education and outreach to the borrowers. They should ensure that their planned notifications are compliant with all relevant consumer regulations.

For other contracts specifying that a given party (the determining person) will select a replacement rate at their discretion following a LIBOR transition event, that determining person or other specified contractual party should disclose their planned selection to relevant parties at least 6 months prior to the earlier of either the date that a replacement rate would become effective or June 30, 2023.

Once the determination of the fallback rate is made, either by the determining person or by the terms of the contract itself, parties will still need to ensure that the details of the rate and any associated conforming changes are communicated to affected counterparties or investors in an effective and operationally practical manner. While business loans are often amended, securities are much less frequently amended, and the currently available tools do not seem to offer a practical way to effectively communicate the sheer number of changes required for the LIBOR Transition. The ARRC has worked with a wide range of industry participants to help to create a better mechanism, described in more detail below.

Expansions to DTCC's LENS Service

Communicating the change from LIBOR to an alternative reference rate requires a notification to the financial market participants holding the securities in question that a change will occur and what this change will encompass. Ideally this communication should happen six months before the effective date in line with the ARRC best practices. In addition, static data systems need to be primed for the effective date in order to accurately calculate coupon accruals and value securities.

In reviewing existing market practice in Europe and the United States the ARRC determined that changes made to the interest rate methodology of a fixed income security are treated as a corporate action in Europe whereas they are not in the United States, where instead these changes are treated as a non-serviceable event. This means that, in the United States, determining persons, their agents or other parties responsible for the dissemination of the change information may only be required to inform current investors of the change or make the information available on a public platform. It was also noted that often the public platform utilized for these purposes was DTCC's Legal Notice System ("LENS").

In reviewing the LENS service the ARRC realized that LENS notifications are a) unstructured and contain inconsistent detail b) commingled with other notifications and are therefore not easily distinguished and c) due to the messaging format being pdf or Word, data cannot be easily extracted.

The existing LENS process does not ensure that all market participants will be made aware of the upcoming changes and the unstructured, non-standardized nature of the data will likely increase the

operational risk of the transition (e.g. static data not being updated correctly, leading to incorrect coupon accruals and reconciliation differences).

The ARRC in cooperation with DTCC and other market participants has therefore proposed a workflow by which determining persons, their agents, or other parties responsible for the dissemination of the change information can communicate the upcoming interest rate changes in a pre-defined term sheet format. The transmission to DTCC will leverage but expand the LENS service and will include a Web Interface and automation for bulk submissions. DTCC would in turn make this information available through the current LENS portal, in a more identifiable manner and also capture the standardized, structured term sheet data in a separate database. Market participants (including Market Data providers) will be able to access the structured data via an API and pass it on via their individual processes and Market Data files.

For securities issued in the United States, using DTCC's enhanced LENS system to communicate rate and conforming changes should allow issuers, agents, and investors to successfully implement the transition. The ARRC believes that this process, once it is in place, will help to ensure that the information is available to all interested parties in a structured and harmonized way. Trustees have used their investor reporting websites to communicate information to market participants in the past and can use this in the interim as well. Counterparties to USD LIBOR securities issued outside of the United States will need to determine whether similar mechanisms exist in order to implement their fallbacks.

Consumer and Business Loan Communications

Communication of rate changes to consumer loans entails a different set of considerations. The ARRC has produced transition guides for consumer LIBOR-based residential adjustable-rate mortgages and student loans, which lay out available information and considerations that servicers should take into account as they finalize their strategies for communications with consumers. For business loans, as noted above, there are already common mechanisms in place to amend loans. However, as this is a less automated process, lenders will need to ensure that they have sufficient resources to transition the potentially large number of loans that may still reference LIBOR through June 2023.

ARRC Best Practice Recommendations to Fallback Communication and Implementation

- Servicers of any consumer loans using LIBOR and maturing after June 2023 should have developed robust programs for notifications and consumer education and outreach to the borrowers. They should ensure that their planned notifications are compliant with all relevant consumer regulations
- For other contracts specifying that a given party (the determining person) will select a replacement rate at their discretion following a LIBOR transition event, that determining person or other specified contractual party should seek to disclose their planned selection to relevant parties at least 6 months prior to the earlier of either the date that a replacement rate would become effective, or June 30, 2023, using the channels of communication that are available at the time.

- Counterparties to contracts for which a determining person has *not* disclosed their planned selection at least six months prior to the earlier of either the date that a replacement rate would become effective, or June 30, 2023 should seek to whether the party (a) agrees that they serve this role under the terms of the contract, (b) intends to fulfill the responsibility of selecting a replacement rate, (c) can communicate the nature of the replacement rate they expect to select and when they intend to formally select the replacement rate.
- Determining persons, their agents, or other parties responsible for the dissemination of the change information regarding LIBOR debt and securitizations should use DTCC's enhanced LENS system for communicating rate and conforming changes once it is available.
- In addition to ensuring efficient communication of rate changes, lenders should ensure that they have adequate resources on hand to implement the large number of changes that will occur after June 30, 2023.

Reference Materials

[ARRC 2020 Recommended Best Practices for Completing LIBOR transition](#)

[ARRC Legacy LIBOR ARM-Transition Resource Guide](#)

[ARRC Legacy LIBOR Private Student Loan Transition Resource Guide](#)

Appendix: Additional Relevant Resources

Transitioning Legacy Derivatives Products:

[ISDA 2020 IBOR Fallbacks Protocol](#)

[Amendments to the 2006 ISDA Definitions to include new IBOR fallback](#)

Transitioning Legacy Cash Products:

[ARRC Guiding Principles for More Robust LIBOR Fallback Contract Language in Cash Products](#)

[Spread Adjustment Methodologies for Fallbacks in Cash Products](#)

By Cash Product Type:

Floating Rate Notes:

- [Floating Rate Notes \(FRN\) Fallback Language](#)
 - For FRNs specifying that one or more parties will select a replacement rate for USD LIBOR at their discretion, the determining parties should disclose the replacement rate and any related spread adjustment methodology they anticipate selecting to relevant parties at least 6 months prior to the date that a replacement rate would become effective.

Loans:

- [Bilateral Business Loans Fallback Language](#)
 - For business loans specifying that one or more parties will select a replacement rate for USD LIBOR at their discretion, the determining parties should disclose to relevant parties the replacement rate and any related spread adjustment methodology they anticipate selecting to relevant parties at least 6 months prior to the date that a replacement rate would become effective.
- [Syndicated Loans Fallback Language](#)
- [ARRC Supplemental Recommendation of Hardwired Fallback Language for Syndicated and Bilateral Business Loans](#)
- [Intercompany Loans](#)

Securitizations:

- [Securitizations Fallback Language](#)
 - For securitizations specifying that one or more parties will select a replacement rate for USD LIBOR at their discretion, the determining parties should disclose the replacement rate and any related spread adjustment methodology they anticipate selecting to

relevant parties at least 6 months prior to the date that a replacement rate would become effective paying due consideration to the replacement rates of the securitization's underlying assets.

- [ARRC Recommendations Regarding More Robust Fallback Language for New Issuances of LIBOR Securitizations](#)

Consumer Products:

- [Guiding Principles and Scope of Work for the ARRC Consumer Products Working Group](#)
- [Adjustable Rate Mortgages Fallback Language](#)
- [Variable Rate Private Student Loans Fallback Language](#)

Term Rate Scope of Use:

[ARRC Best Practice Recommendations Related to Scope of Use of the Term Rate](#)

[FAQs on Best Practice Recommendations Related to Scope of Use of the Term Rate](#)