

## Alternative Reference Rates Committee (ARRC)

### Minutes for the December 9, 2020 Meeting

The ARRC Chair welcomed participants to the virtual meeting. He noted that time would be devoted in the meeting to address [recent developments](#) relevant to the LIBOR transition and that Randal Quarles, Vice Chair for Supervision of the Federal Reserve Board, and John Williams, President of the Federal Reserve Bank of New York, had joined for the initial part of the meeting.

Randal Quarles and John Williams referred to [announcements](#) from the [ICE Benchmark Administration](#) (IBA) as the administrator of LIBOR, the U.K.'s [Financial Conduct Authority](#) (FCA) as the regulator of IBA, and related supervisory guidance from [U.S. regulatory authorities](#). Following these announcements, IBA launched a consultation on its intention to cease publication of USD LIBOR. Subject to the outcome of that consultation, Randal Quarles and John Williams highlighted that together, the various announcements lay out a collective framework for ending USD LIBOR. This includes a call by supervisors for banks to stop writing new USD LIBOR contracts as soon as is practicable, and in no event later than the end of 2021, and a clear cessation date, subject to the outcome of the [IBA consultation](#). Randal Quarles and John Williams reiterated that per the supervisory guidance, the continued use of LIBOR creates safety and soundness concerns, and reinforced support for the ARRC's recommendations and proposed legislation with the State of New York. They also reiterated their support of private-sector participants' efforts to collaborate within the ARRC to develop recommendations to transition away from LIBOR and develop federal legislative solutions.

The ARRC Chair then facilitated a group discussion focused on the alignment of the announcements with the [ARRC Best Practices](#). ARRC members observed that the supervisory guidance clearly called for no new LIBOR as soon as practicable (and no later than 2021), and that the Best Practices dates for no new issuance by product type were set with such a goal in mind. ARRC members concluded that the recommended timelines as currently set out in the Best Practices were consistent with the timelines and message set out in the U.S. supervisory guidance and the IBA and FCA announcements.

The Legal working group co-Chairs facilitated an update on the work related to New York State and federal legislation. An updated [draft](#) of the ARRC's proposed New York State legislation was previously sent to NY officials following review by the ARRC Legal working group. Cadwalader discussed changes the Legal working group had proposed to the draft New York legislation, primarily to address technical concerns raised by some market participants. Legal working group representatives also summarized a proposal for federal legislation under consideration by certain members of Congress. Cadwalader provided an overview of the differences between the proposed federal and NY state legislation.

The ARRC's launch of a new non-financial corporate [working group](#) was noted. The Non-Financial Corporate working group co-Chairs provided an overview on relevant activities such as

vendor readiness, intercompany and customer loans, and back-office systems. A representative of the working group presented proposed non-financial corporate conventions for inter-company loans. A draft update to the [User's Guide to SOFR](#) was also discussed as part of a more general discussion of conventions.

Members who have recused themselves from the [Spread Adjustment RFP](#) work then dropped off the line ahead of an update on the RFP. Federal Reserve staff provided an update on the RFP process. There was a discussion of initial views expressed by the RFP evaluation group regarding the evaluation of the vendors. Members were asked to send any questions they may have for the vendors to the Secretariat. The RFP evaluation group intends to engage vendors as needed and further refine its recommendations to the ARRC in upcoming weeks.

Next, members who have recused themselves from the [Term Rate RFP](#) work dropped off the line ahead of an update on the RFP. The Term Rate working group co-leads discussed recent efforts related to reviewing the submissions received from vendors and determining the potential recommended scope of use for a term rate.

The ARRC Chair closed the meeting by reminding everyone of upcoming work to take place in 2021 and thanking everyone for their diligence. The next ARRC meeting is scheduled to be held January 13<sup>th</sup> via Webex.

## Attendance at the December 9, 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	Alex Krol
BlackRock	Jack Hattem
Citigroup	Jeannine Hyman
Citigroup	Josie Evans
CME Group	Agha Mirza
Comerica	Dave J Shipka
CRE Finance Council	Lisa Pendergast
CRE Finance Council	Raj Aidasani
CRE Finance Council	Sairah Burki
Deutsche Bank	Adam Eames
Deutsche Bank	Greg Coutu
Fannie Mae	Robert Ives
Fannie Mae	Wells Engledow
Federal Home Loan Bank	Kyle Lynch
Federal Home Loan Bank	Philip Scott
Ford	Jason Behnke
Ford	Nathan Herbert
Freddie Mac	Ameez Nanjee
Freddie Mac	Guim Barbour
Freddie Mac	Michelle Thomas
GE Capital	Fred Robustelli
Goldman Sachs	Guillaume Helie
Goldman Sachs	Jason Granet
Goldman Sachs	Tejal Wadhvani
HSBC	Blair Selber
HSBC	Shirley Hapangama
Huntington Bank	Beth Russell
Independent Community Bankers of America	Christopher Cole
Independent Community Bankers of America	James Kendrick
Intercontinental Exchange	Christopher Edmonds
Intercontinental Exchange	Harvey Flax
International Swaps and Derivatives Association	Phoebe Coutts
JP Morgan Chase & Co.	Alice Wang
JP Morgan Chase & Co.	Emilio Jimenez
JP Morgan Chase & Co.	Keith Stephan
JP Morgan Chase & Co.	Matthew Cherwin
JP Morgan Chase & Co.	Perry Elbadrawi
KKR	Tal Reback

LCH  
Loan Syndications and Trading Association  
Loan Syndications and Trading Association  
MetLife  
MetLife  
Morgan Stanley  
Morgan Stanley  
Morgan Stanley  
Morgan Stanley  
Morgan Stanley  
National Association of Corporate Treasurers  
PIMCO  
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  
U.S. Chamber of Commerce  
U.S. Chamber of Commerce  
Wells Fargo  
Wells Fargo  
World Bank Group

Philip Whitehurst  
Meredith Coffey  
Tess Virmani  
Alex Strickler  
Joe Demetrick  
Maria Douvas  
Matt Ochs  
Michelle Goldstein  
Paige Mandy  
Tom Wipf  
Tom Deas  
Courtney Garcia  
Alex Spiro  
Andrew Wilson  
Chris McAlister  
Gary Horbacz  
Chris Killian  
Rob Toomey  
Jen Earyes  
Kristi Leo  
Greg Moore  
Priya Misra  
Kristen Malinconico  
Tom Quadman  
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  
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Sayee Srinivasan  
Abhishek Agarwal  
Irina Leonova  
Daniel E. Coates  
Betsy Bourassa  
Cam Fuller  
Fatima Madhany  
Irmak Ince  
Jamie Pfeifer  
John Williams  
Justin Epstein  
Justine Hansen  
Megan Zirinsky  
Nate Wuerffel  
Raymond Check  
Scott Sherman  
William Riordan

Federal Reserve Board of Governors	Darren Gersh
Federal Reserve Board of Governors	David Bowman
Federal Reserve Board of Governors	Erik Heitfield
Federal Reserve Board of Governors	Evan Winerman
Federal Reserve Board of Governors	Jeffrey Huther
Federal Reserve Board of Governors	Joe Carapiet
Federal Reserve Board of Governors	Michael Held
Federal Reserve Board of Governors	Randal Quarles
National Association of Insurance Commissioners	Eric Kolchinsky
New York Department of Financial Services	Steven Kluger
Office of Financial Research	Robert "Jay" Kahn
Office of Financial Research	Ron Alquist
Office of Financial Research	Sriram Rajan
Office of the Comptroller of the Currency	Ang Middleton
Office of the Comptroller of the Currency	Kevin Walsh
U.S. Department of Housing and Urban Development	Maria Chelo DeVenecia
U.S. Department of Housing and Urban Development	Jose Fernandez
U.S. Securities and Exchange Commission	David Metzman
U.S. Securities and Exchange Commission	Jason Leung
U.S. Securities and Exchange Commission	Michelle Danis
U.S. Securities and Exchange Commission	Tamara Brightwell
U.S. Treasury	Chloe Cabot
U.S. Treasury	Peter Phelan

#### **Observers**

Bank of Canada	Sheryl King
BNP Paribas	Simon Winn
Boston Consulting Group	Roy Choudhury
Brunswick	Pauline Blondiaux
Brunswick	Casey Gunkel
Brunswick	Elizabeth Lilly
Brunswick	Jeanmarie McFadden
Cadwalader	Jason Halper
Cadwalader	Victor Bieger
Deloitte	Alexey Surkov
Ernst & Young	Daniel Scrafford
Morgan Lewis	Jon Roellke
Morgan Lewis	Jonathan Justl
MTA	Pat McCoy
Oliver Wyman	Adam Schneider
Under Armour	Mack Makode
Venerable	Charles Schwartz

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