## Alternative Reference Rates Committee
### 2019 Incremental Objectives

The Alternative Reference Rates Committee (ARRC) continues to support and prepare market participants for the transition to alternative reference rates. These objectives are complementary to the previously outlined Paced Transition Plan.

<table>
<thead>
<tr>
<th>ARRC 2.0 Objectives</th>
<th>2019 Priorities / Milestones</th>
<th>Date</th>
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| **Build market liquidity and drive demand for SOFR** | - FRB staff to publish indicative compounded SOFR and forward-looking SOFR term rates with transparent calculation methodology  
- ARRC to launch Infrastructure and Operations Working Group and host vendor workshop  
- Continue to grow market liquidity and build SOFR-linked instruments:  
  - Encourage launch of SOFR-linked loans and securitizations  
  - Monitor and encourage issuance of SOFR-linked FRNs  
  - Further develop liquidity in SOFR-linked derivatives | 2Q19 ✓ |
| **Create and implement robust fallbacks** | - ARRC to issue final recommended fallback contract language for new issuances of FRNs, syndicated loans, bilateral loans, securitizations and encourage market participants to utilize this language  
- ARRC to assess fallback spread adjustment methodologies for appropriateness in use for cash products  
- ISDA to finalize definitions amendments to include fallbacks in new derivative contracts and to offer protocol to allow inclusion of amended definitions in legacy derivatives contracts  
- ARRC to continue identifying needed regulatory relief and tax/accounting requirements to promote uptake of ISDA protocol and eliminate hurdles to a smooth transition  
- ARRC to explore potential options for seeking legislative relief from New York State legislature for legacy products | 2019 ✓  
YE19  
Ongoing  
Ongoing  
Ongoing |
| **Launch consumer products-focused working group** | - ARRC launched a Consumer Products Working Group, including CFPB, to ensure fair and transparent process including input and feedback from consumer groups, lenders, and investors in finding models of SOFR that will work for all key parties and preparing fallback processes and communications  
- ARRC to consult on consumer product fallbacks and describe applications and uses of SOFR in consumer products | 1Q19 ✓ |
| **Education and outreach to receive public feedback and ensure market readiness** | - ARRC to continue ongoing targeted engagement through trade associations, industry conferences, and media with policymakers to ensure participants understand LIBOR will cease to exist and to coordinate transition  
- ARRC to continue to issue best practices, FAQs, consultations for public input  
- ARRC to publish bi-monthly newsletter to promote transparency and awareness of developments | Ongoing |
| **Coordinate across national working groups** | - ARRC to continue regular communication with other NWGs and cross-currency work streams to share best practices, identify risks created by differences in rate selection and implementation timing  
- NWGs to provide update on implementation progress and plans | Ongoing  
2H19 |