

# Consultation Response – ARMs

## September 10, 2019

### Definition of “Administrator” in Appendix I, section 4(B) The Index

- Administrator is not language used in Truth in Lending’s Regulation Z, the better term to use should be “source” found in 1026.20(c)(2)(iii). A variation could be used such as “Index Source”.
- As defined in the draft changes, “Administrator” is incorrectly defined because The Wall Street Journal does not calculate LIBOR values, and is not the original source of publication. It is our understanding that Benchmark Administration (IBA) of the International Exchange (ICE) is the body that calculates the LIBOR index values and then Thomson Reuters publishes the values. Publications like The Wall Street Journal are only republishing what others have calculated and published.
- The Source is Note-holder identified, that is, the Note Holder is responsible to provide the interest rate change notice to the borrower that informs the borrower of the source of (re)publication in order to view the index value used as part of its explanation of the interest rate change calculation.

### Replacement “Administrator” in Appendix I, section 4(G) Replacement Index and Replacement Margin

- Since the Replacement Index may involve a different “Administrator” (or “Index Source”) does the draft language need to account for a “Replacement Administrator” (or “Replacement Index Source”) ? For example, with the first “Index” the “Index Source” may be The Wall Street Journal, but with the Replacement Index, the “Replacement Index Source” may be the Federal Reserve Board.