#	Question	Response
1	If the ARRC were to adopt one or more sets of bilateral business loan fallback language, which one or both of the recommended provisions (i.e., amendment approach and/or hardwired approach), in your view, is an appropriate policy? If you believe the amendment approach is more appropriate at present, what specific information (for instance, existence of term SOFR) would you need in order to get comfortable eventually adopting a hard-wired approach? Why?	The hardwired approach is preferred because it allows counterparties to prepare in advance of a LIBOR discontinuance event and avoids having to renegotiate and amend all bilateral loans at the time of transition. Negotiating amendments at the time of transition should be the last resort.
2	Beyond your response to Question 1, are there product or transaction types, or methods of documenting transactions, for which either of the fallback approaches would be problematic? If so, please explain. What other approach would you suggest?	Yes. Direct Tax Exempt Bond purchases could be problematic because of the tax-exempt nature and the possible effects of changing the reference rate that could cause the bond to become taxable. Other examples may exist and would require a more flexible approach to fallback provisions or contractual provisions that address unique challenges posed by different product or transaction types.
3a	Should fallback language for bilateral business loans include any of the pre-cessation triggers (triggers 3, 4 or 5)? If so, which ones?	All proposed pre-cessation triggers should be included.
3b	Please indicate whether any concerns you have about these pre- cessation triggers relate to differences between these triggers and those for standard derivatives or relate specifically to the pre-cessation triggers themselves.	Pre-cessation triggers should be objectively determinable to avoid potential disputes regarding whether a pre-cessation trigger has occurred. Although pre-cessation triggers may present issues for swapped loans, counterparties may limit the application of pre-cessation triggers to non-swapped loans to avoid inconsistencies between fallback rates and timing between loans and associated swaps.
3c	If pre-cessation triggers are not included, what options would be available to market participants to manage the potential risks involved in continuing to reference a Benchmark whose regulator has publicly determined that it is not representative of the underlying market or a Benchmark permanently or indefinitely based on a number of submissions that the Benchmark's administrator acknowledges to be insufficient to allow for production in a standard manner?	No response.
4a	Is an "opt-in" trigger appropriate to include? Why or why not?	Yes. Opt in triggers are appropriate to allow migration to a new reference rate if industry consensus emerges prior to the occurrence of one of the LIBOR Discontinuance triggers. It will be important for opt in triggers to be objectively determinable to avoid potential disputes regarding whether an opt in trigger has occurred. We suggest a range of recommendations with and without a negative consent requirement to avoid risk for those who choose not to include a negative consent right with opt-in triggers.
4b	Do you believe an "opt-in" trigger should be included in both the hardwired and amendment proposals or only in one (please specify which and explain).	Yes.
5	Are there any other trigger events that you believe should be included for consideration? If yes, please explain.	No response.
6	If the ARRC has recommended a forward-looking term rate, should that rate be the primary fallback for bilateral business loans referencing LIBOR even though derivatives are expected to reference overnight versions of SOFR? Please explain.	If there are differences between the ARRC recommended fallback rate and the ISDA recommended fallback rate, ARRC should recommend that loans subject to a swap fallback to the ISDA fallback rate so that the loan rate and associated swap remain consistent.
7	Should the Lender be able to eliminate certain interest period options if there are no equivalent SOFR terms available? If so, consider the following options: (i) the Lender may remove all interest periods for which there is not a published term rate or (ii) the Lender may remove only the interest periods for which there is not a published term rate and a term rate cannot be interpolated. Which of the options do you support? Why?	Yes. The lender should remove only the interest periods for which there is not a published term rate and a term rate cannot be interpolated. This approach provides appropriate flexibility while seeking to maintain interest period options where possible.
8	Should "Compounded SOFR" be included as the second step in the waterfall? Why or why not? Would this preference be influenced by whether ISDA implements fallbacks referencing compounded SOFR or overnight SOFR?	No. Calculating compounded SOFR may prove operationally challenging.

9	If you believe that Compounded SOFR should be included, which compounding period is preferable ("in arrears" or "in advance")? Would this preference be influenced by whether ISDA implements fallbacks referencing compounded SOFR "in arrears" or "in advance"?	Ideally, the compounding method would be the same for all product types. There is no difference today in what a three month LIBOR rate means for a loan versus a swap versus a security or any other product. It seems inconsistent for a replacement to have product specific calculation means.
10	As noted, this consultation does not include Overnight SOFR as a final step in the waterfall. Do you believe that Overnight SOFR is an appropriate fallback reference rate for bilateral business loans or should the final step in the replacement rate waterfall be Compounded SOFR (after which the hardwired approach defaults to a streamlined amendment process)?	Yes. Overnight SOFR is an appropriate fallback to include in the waterfall.
11	Is there any other replacement rate that should be added to the hardwired approach waterfall before parties move to the streamlined amendment process? If so, what is the appropriate rate or rates and at which stage in the waterfall should they be applied? Please explain.	Yes, ICE Bank Yield Index should be considered in addition to other commonly used benchmarks, such as Overnight Bank Funding Rate, Treasury Securities Rate, Fed Funds, for EMEA clients, Bank of England Base Rate (both target and effective).
12	Do you believe that the ARRC should consider recommending a spread adjustment that could apply to cash products, including bilateral business loans?	Yes.
13	Is a spread adjustment applicable to fallbacks for derivatives under the ISDA definitions appropriate as the second priority in the hardwired approach spread waterfall even if bilateral business loans may fall back at a different time or to a different rate from derivatives? Please explain.	ISDA spread adjustment should apply where loan is subject to a swap.
14	Is there any other spread adjustment that should be added to the hardwired approach spread waterfall before parties move to the streamlined amendment process? If so, what is the appropriate spread and at which stage in the waterfall should it be applied?	No response.
15	For respondents that act as Lenders in the bilateral business loan market, would your institution be willing to (i) work with the Borrower to identify a new reference rate or spread adjustment, (ii) determine whether triggers have occurred, (iii) select screen rates where reference rates are to be found, (iv) interpolate LIBOR or term SOFR if there is a missing middle maturity, and (v) execute one-time or periodic technical or operational amendments to appropriately administer the replacement benchmark? Please respond to each and explain.	No response.
16	In any of these situations, should the Lender have the right to take the relevant action, for example to designate loan terms unilaterally within the framework of either Appendix I or Appendix II, simply by notice to the Borrower? Alternatively, should the lender have the right to take such action, subject only to the Borrower's right to withhold consent? Please explain which approach, or what alternative approach, you think would be better.	Yes, Lenders should have the discretion to designate loan terms unilaterally so long as the language in the agreement is clear regarding the rights of the lender in taking such action and when such rights are triggered.
17	Is it necessary that any replacement rate and/or applicable spread adjustment be published on a screen by a third party? Why or why not?	Yes.
18	Given that market practices and conventions may change over time, should the Lender's limited ability to make conforming changes be available only at the point of transition or on a periodic, ongoing basis? Why or why not?	Yes. Lenders should have the right to make conforming changes as necessary to administer the loan on an ongoing basis. This right of the lender should be made clear in the loan documents.
19	Are there operational concerns about having the ability to convert many loans over a very short period of time? Please explain.	Yes.
20	Do you see other operational challenges that fallback language should acknowledge or of which the ARRC should be aware? For example, both approaches to fallback language involve various notices from the Lender14 – do these requirements and the resulting communications between parties impose undue operational burdens? Please explain.	No response.

21	If bilateral business loans fall back to a different rate from derivatives, how do market participants expect to handle the interplay of loans and their hedges? Would market participants expect that current swaps would be terminated and a new swaps entered into once the loan has transitioned?	Bilateral loans that are subject to a swap should fall back to the ISDA fallback rate so that the loan rate, the associated swap and hedging transactions remain consistent.
22	Would market participants that execute interest rate hedges prefer to fall back to the same rate and spread that becomes operative under the ISDA Definitions even if a term SOFR is available? If so, please provide comments on the proposal for hedged loans set forth in Appendix VI, including a discussion of any operational concerns. Please provide comments on any other approaches you think could be useful in addressing fallbacks in loans and related hedges.	Yes.
23	When a loan is only partially hedged, either by a swap that is not coterminous with the loan's maturity or a swap the notional amount of which is less than the loan amount (or the portion of the loan accruing interest based on LIBOR), should a trigger event result in the entire loan balance converting to the fallback benchmark? Would it be operationally practical to align only the hedged portion's terms with the terms of the swap? What other concerns would market participants anticipate in operationalizing dynamic tranching of a partially hedged loan?	In light of operational complexity and limitations, the entire balance of a partially swapped loans will fallback to the ISDA fallback rate.
24	Are there any provisions in the fallback language proposals that would significantly impede bilateral business loan originations? If so, please provide a specific and detailed explanation.	Lack of certainty in the market regarding timing of LIBOR discontinuance and adoption of new reference rates and term structures, and lack of awareness among borrowers will be significant impediments to adopting new fallback provisions.
25	Please provide any additional feedback on any aspect of the proposals.	No response.