Question 1. *If the ARRC were to adopt one or more sets of business loan fallback language, which one or both 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 hardwired approach? Why?*

The hardwired approach is preferable, as it will result in a uniform adjustment of all amended facilities, should reduce emergence of risks related to misalignment with hedging derivatives, will result in a streamlined process and avoid different facilities being amended at different times and/or follow at different process.

Question 2. *(a) Should fallback language for business loans include any of the pre-cessation triggers (triggers 3, 4 or 5)? If so, which ones?*

(b) please indicate whether any concerns you have about these pre-cessation triggers relate to the differences between these triggers and those for standard derivatives or relate specifically to the pre-cessation triggers themselves.

(c) If pre-cessation triggers are not included, what options would be available to market participants to manage the potential risk 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?

(**a) No, it should not.**

(b) There could be a mismatch, but also the pre-cessation triggers are in a "gray area" almost by definition, thus allowing too much room for discretion.

(c) Fallback to language existing in the Credit Agreement.

Question 3. (*a) Is an "opt-in" trigger appropriate to include? Why or why not?*

(b) If you do believe an "opt-in" trigger should be included, do you prefer the approach in the hardwired proposal or the amendment proposal? Please explain.

(a) Yes, it is. It is preferable to have options.

(b) Yes, we do. If market participants have sufficient information to start pricing loans on SOFR, then the entire market will switch simultaneously.

Question 4. *Are there any other trigger events that you believe should be included for consideration? If yes, please explain.*

No, there are not.

Question 5. *If the ARRC has recommended a forward-looking term rate, should that rate be the primary fallback for syndicated loans referencing LIBOR even though derivatives are expected to reference overnight versions of SOFR? Please explain.*

Yes, it should. Lending market practices would be less disrupted if a term SOFR was available. The cash and derivatives market will most likely align.

Question 6. *Should the administrative agent (by itself or with some other party) be able to eliminate certain interest period options if there are no equivalent SOFR terms available? If so, consider the following options: (i) the administrative agent (and/or some other party) may remove all interest periods for which there is not a published term rate or (ii) the administrative agent (and/or some other party) may remove only the interest periods for which there is not a published term rate and a term rate cannot be interpolated. Which options do you support? Why?*

No, the Agent cannot do this by itself. There should be a fallback in the loan agreement (added to Hardwired approach) to cover the case of the borrower picking an interest period for which a term SOFR rate is not available and cannot be interpolated (e.g. taking the longest available period and fixing it for the longer interest period if the term selected by borrower it longer than the longest available term SOFR, or interpolate in any other case). Nonetheless, borrowers themselves will be unlikely to choose an interest period for which a rate does not exist or cannot be interpolated.

Question 7. *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?*

Yes, this is the closest we can get to a term rate, if a term rate is not available. Yes, this preference would be influenced by the implementation by ISDA of fallbacks referencing overnight SOFR. We assume that the loan and derivative market will align themselves as closely as possible.

Question 8. *If you believe that Compounded SOFR should be included, would a Compounded SOFR in advance or Compounded SOFR in arrears be preferable for syndicated loans? Please explain.*

In arrears to avoid introducing elements of uncertainty.

Question 9. *Is overnight SOFR an appropriate fallback reference rate for syndicated 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)? Would this preference be influenced by whether ISDA implements fallbacks referencing compounded SOFR or overnight SOFR? Please explain.*

No, we believe the fallback should stop at Compounded SOFR and then move to the amendment approach. ISDA should align itself to the loan market.

Question 10. *Is it acceptable to fix one observation of Overnight SOFR as the reference rate for a loan lasting three months (or longer)? Would lenders refuse to offer longer-duration loans if they were priced over one Overnight SOFR observations? Please explain.*

No, it is not acceptable. Yes, lenders are likely to refuse.

Question 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?*

No, we do not.

Question 12. *Do you believe that the ARRC should consider recommending a spread adjustment that could apply to cash products, including syndicated business loans?*

Yes, we do.

Question 13. *Is a spread adjustment applicable to fallbacks for derivatives under the ISDA definitions appropriate as the second priority in the spread waterfall even if syndicated business loans may fall back at a different time or to a different rate from derivatives? Please explain.*

We believe option one and two will become the same as the markets converge. Even if that were not the case, we believe that the ISDA adjustment will be better than no adjustment at all.

Question 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 further suggestions.

Question 15. *(a) Under the amendment approach proposal, if parties are selecting a replacement rate through the amendment process, should the objection of the Required Lenders be by class (if applicable) (see clause (b) of the section titled "Effect of Benchmark Discontinuance Event" in Appendix I)? Why or why not?*

(b) Under the amendment approach proposal, if parties choose to select a replacement rate through the "opt-in" amendment process, should the affirmative consent of the Required Lenders be by class (if applicable) (see clause (b) of the section titled "Effect of Benchmark Discontinuance Event" in Appendix I)? Is affirmative consent appropriate or should negative consent be considered instead? Please explain.

(a) Yes, the vote should be by class.

(b) Yes, by class. It should be affirmative consent.

Question 16. *(a) Under the hardwired approach proposal, if parties must fallback to selecting a replacement rate through the amendment process because none of the options in the replacement rate waterfall are available, is the objection of the Required Lenders by a class appropriate (if applicable) (see clause (d) of the section titled "Effect of Benchmark Discontinuance Event" in Appendix II)? Why or why not?*

(b) The hardwired approach proposal provides two bracketed options for a successful declaration of the "opt-in" amendment process - Required Lenders (typically a majority) vs. supermajority (2/3) of lenders (see clause (B) of the definition of "Benchmark Transition Determination" in Appendix II). What should be the standard affirmative lender voting threshold for consenting to the "opt-in"? Please explain.

(a) Yes, it is.

(b) Supermajority.

Question 17. *For respondents that act as administrative agents in the syndicated 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 term SOFR if there is a missing middle maturity and, (v) execute one-time or periodic technical or operational amendments to allow the administrative agent to appropriately administer the replacement benchmark? Please respond to each and explain.*

Yes to all points.

Question 18. *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, to provide clarity and transparency.

Question 19. *Given that market practices and conventions may change over time, should the administrative agent'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?*

Only at the time of the transition, if market practice change further, more discussions will follow at that time.

Question 20. *How important is it for the fallback rate to be available prior to making a borrowing/advancing funds? For instance, if the rate was a compounded three-month rate calculated at the* ***end*** *of the interest period, would that be problematic? Please explain.*

There would be several issues (borrowers want certainty, calculating delayed compensation in secondary trades). However, this option is better than the alternative of compounded SOFR in advance and if that's what the market falls back to, then new market practices will be developed.

Question 21. *Are there operational concerns about having the ability to convert many loans over a very short period of time? Please explain.*

Yes, there are.

Question 22. *Do you see other operational challenges that fallback language should acknowledge or of which the ARRC should be aware? Please explain.*

ARRC should be sensitive to time needed for all market participants to upgrade IT systems and processes to reflect the transition from one reference rate to the other.

Implementation uniform fallback language. Adoption of the recommended language is voluntary and much will depend on a small number of banks that are market leaders and Agent on a large number of transactions. A large risk comes from these institutions adopting the recommended new language at different speed or not uniformly.

Another large risk comes from cross-border/multicurrency loans, where different markets (EMEA, US, APAC) move at different speed or adopt different solutions.

On the plus side, funding could be smoother since it won't be necessary to wait 2 days for LIBOR setting.

Question 23. *What modifications to the syndicated loan consultative language may be helpful to market participants as they consider more robust fallback language in a bilateral or single-bank* *business loan context, if any? Please explain. Specifically, what modifications to the language may be appropriate in instances in which the bilateral loan is fully or partially hedged? Please explain.*

Bilateral loans will adapt to the practice of the syndicated loan market. In case of hedged loans, the ISDA documentation should refer to an automatic alignment with the choice of reference rate selected for the hedged loan.

Question 24. *Are there any provisions in the fallback language proposals that would significantly impede syndicated loan originations? If so, please provide a specific and detailed explanation.*

We do not know at this stage how this will impact liquidity as it will depend on how investors are impacted.

Question 25. *Please provide any additional feedback on any aspect of the proposals.*

N/A.