1. The ARRC Chair noted that the Outreach and Communications working group produced a document addressing frequently asked questions that were posted to the ARRC website.

2. The ARRC agreed that Venerable would serve as co-chair of the Outreach and Communications working group.

3. The Committee discussed the final versions of public consultations for floating rate notes and syndicated business loans that were prepared by the working groups. The Committee approved the consultations, which were subsequently released on the ARRC’s website for public feedback through November 8, 2018. The Committee noted its intention to incorporate feedback and approve recommended fallback language for voluntary adoption by the end of the year.

4. Working group chairs noted that the public consultations for securitizations and bilateral business loans were being prepared and would be shared with the Committee in the coming months.

5. The Chair highlighted examples of SOFR adoption, including recent SOFR debt issuances and growth in SOFR derivatives activity. ARRC members then had a wide-ranging discussion around ways to further encourage SOFR adoption. ARRC members noted that the addition of SOFR to FASB’s hedge accounting list would help overcome certain challenges preventing some market participants from transitioning to SOFR. ARRC members also observed that more education efforts are needed in order to increase awareness around LIBOR-related issues. Some members commented that it could be helpful to engage in a proactive dialogue with software vendors to address any potential obstacles related to SOFR adoption.

6. ARRC members discussed the use of compression auctions to convert existing LIBOR swap positions into SOFR swap positions prior to a trigger event under an ISDA protocol. Darrell Duffie, who attended the meeting as an observer, discussed his work on how compression auctions could be applied to convert centrally cleared swaps, suggesting this approach would: reduce the number of outstanding LIBOR swaps while allowing market participants to maintain roughly the same levels of market exposure, create market liquidity for SOFR swaps, and fulfill market participants’ fiduciary responsibilities. ARRC members discussed how compression auctions would work across swaps with different maturities. Fed staff noted that the Committee needs to think of ways to build liquidity in SOFR-linked derivatives and the Chair noted it would be beneficial for the Committee to conduct a test to determine whether compression auctions would be an effective approach.
Attendance at the September 20, 2018 Meeting

ARRC Members
AXA
Bank of America
Bank of America
BlackRock
Citigroup
CME
CME
Deutsche Bank
Deutsche Bank
Fannie Mae
Fannie Mae
Freddie Mac
GE Capital
Goldman Sachs
Goldman Sachs
Goldman Sachs
Government Finance Officers Association
Government Finance Officers Association
HSBC
Intercontinental Exchange
International Swaps and Derivatives Association
JP Morgan
JP Morgan
JP Morgan
JP Morgan
LCH
Met Life
Met Life
Met Life
Morgan Stanley
Morgan Stanley
National Association of Corporate Treasurers
Pacific Investment Management Company
Pacific Investment Management Company
Pacific Investment Management Company
TD Bank
The Federal Home Loan Banks, through FHLBNY
The Independent Community Bankers of America
The Independent Community Bankers of America
The Loan Syndications and Trading Association
The Loan Syndications and Trading Association
The Securities Industry and Financial Markets Association

Julien Zusslin
Alex van Voorhees
Paul Scurfield
Jack Hattem
Dina Faenson
Agha Mirza*
Fred Sturm
Adam Eames
Vishal Mahadkar
Nadine Bates
Wells Engledow*
Ameez Nanjee
Michael Taets
Amy Hong*
Jason Granet
Scott Rofey
Pat McCoy
Emily Brock
Shirley Hapangama
Harvey Flax
Ann Battle
Sandie O'Connor
Terry Belton
Alice Wang
Perry Elbadrawi
Emilio Jimenez
Phil Whitehurst*
Jason Manske
Kevin Budd*
Alex Strickler*
Tom Wipf
Maria Douvas-Orme
Tom Deas
Aaron Kim
Scott Goodman
Courtney Garcia*
Priya Misra
Phil Scott
Chris Cole*
James Kendrick*
Meredith Coffey
Tess Virmani*
Randy Snook
The Securities Industry and Financial Markets Association  
Wells Fargo  
Wells Fargo  
World Bank Group

Ex-Officio ARRC Members
Commodity Futures Trading Commission  
Federal Reserve Bank of New York  
Federal Reserve Bank of New York  
Federal Reserve Bank of New York  
Federal Reserve Bank of New York  
Federal Reserve Bank of New York  
Federal Reserve Board of Governors  
Federal Reserve Board of Governors  
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Federal Reserve Board of Governors  
Federal Reserve Board of Governors  
Office of Financial Research  
U.S. Securities and Exchange Commission  
Office of the Comptroller of the Currency  
U.S. Securities and Exchange Commission  
U.S. Treasury  
U.S. Treasury

Observers
American Bankers Association  
Bank of Canada  
BNP Paribas  
Cadwalader  
CRE Finance Council  
Morgan Lewis  
Stanford University  
Structured Finance Industry Group  
Venerable

* Indicates participation by telephone