Alternative Reference Rates Committee (ARRC)
Minutes for the June 24, 2020 Meeting

The ARRC Chair welcomed everyone and thanked them for their continued active participation during these unprecedented times and encouraged everyone to continue their engagement and interaction during the virtual meetings. Members were reminded that relevant materials from the Credit Sensitivity Group workshops are posted on the New York Fed’s website and that the comments to the Treasury Request for Information (RFI) on the possibility of issuing a SOFR-linked floating rate note are due by July 6. In addition, an update was provided on the recent Financial Conduct Authority (FCA) announcement on its intent to bring forward legislation to amend the Benchmarks Regulation.

Brunswick provided an update on the planning for a new format for the ARRC Roundtable to accommodate the remote working environment. This year’s event will include a series of webcasts on topics related to the LIBOR transition which will be held over the course of July and August.

The ARRC Chair thanked members for providing feedback on the supplemental spread adjustment consultation on the technical details of the ARRC’s recommended spread adjustment, specifically on whether the ARRC recommendation should utilize ISDA’s recommended spread adjustment methodology or spread adjustment value that is calculated from the ISDA approach. The ARRC received 49 responses to its supplemental consultation from a mix of banks, government-sponsored entities, asset managers, insurance companies, and industry associations. A clear majority of respondents to the consultation favored a recommendation of the same spread adjustment values as ISDA and respondents were unanimous that the timing of the ARRC recommendation on spread adjustments should align with timing of the ISDA spread adjustment. The ARRC approved the two technical details resulting from the consultation and a press release was subsequently released.

The ARRC Chair provided a high level overview of the responses received on the private student loan fallback language consultation. The ARRC received 11 responses from consumer advocacy groups, lenders and loan servicers active in the student loan market, associations representing education finance organizations, and other institutions. In line with the majority of responses, the ARRC’s final recommendations have retained the language proposed in the consultation with certain technical adjustments. The ARRC approved the recommendations resulting from the consultation and final recommended fallback language was subsequently published.

Members of the Consumer Products working group provided updates on various workstreams under way. Since the meeting, the conventions for student loans was published.

The Chair of the Business Loans working group provided an update on the group’s progress toward developing conventions and refining the recommended hardwired fallback language for syndicated loans. The updated hardwired fallback language was subsequently published.

The co-Chairs of the Securitizations/CLO working group provided an update on the conventions for their asset class. The document is expected to be published in the near future.

The ARRC Chair provided a further update on the launch of the Request for Proposal processes in connection with the 2020 Objectives related to selecting: 1) an administrator of an ARRC-recommended
forward looking SOFR rate, and 2) an administrator to publish the ARRC's recommended spread adjustments and spread-adjusted rates. He noted that an email was sent requesting volunteers to participate in the process and encouraged members to respond.

In closing, the ARRC Chair noted that the next meeting will be August 5th via Webex and that he appreciates everyone’s diligence as we continue to move forward with the transition.
Attendance at the June 24, 2020 Meeting*

ARRC Members
American Bankers Association
Association for Financial Professionals
AXA
Bank of America
Bank of America
BlackRock
Citigroup
CME Group
CRE Finance Council
CRE Finance Council
Deutsche Bank
Deutsche Bank
Ernst & Young
Fannie Mae
Fannie Mae
Federal Home Loan Bank
Federal Home Loan Bank of New York
Ford Motor Company
Ford Motor Company
Freddie Mac
Freddie Mac
Freddie Mac
Goldman Sachs
Goldman Sachs
Government Finance Officers Association
Government Finance Officers Association
HSBC
Intercontinental Exchange
International Swaps and Derivatives Association
JP Morgan Chase & Co.
JP Morgan Chase & Co.
JP Morgan Chase & Co.
JP Morgan Chase & Co.
JP Morgan Chase & Co.
KKR
Loan Syndications and Trading Association
MetLife
MetLife
Morgan Stanley
Morgan Stanley
Morgan Stanley
National Association of Corporate Treasurers
PIMCO
PNC
PNC

Hu Benton
Thomas Hunt
Julien Zusslin
Greg Todd*
Sonali Theisen*
Jack Hattem
Dina Faenson
Agha Mirza
Raj Aidasani
Sairah Burki
Adam Eames
Greg Coutu
Marc Saidenberg
Bob Ives
Thomas Gargan
Kyle Lynch
Rei Shinozuka*
Jason Behnke
Nathan Herbert
Ameez Nanjee
Guim Barbour
Michelle Thomas
Guillaume Helie
Jason Granet
Emily Brock
Pat McCoy
Shirley Hapangama
Harvey Flax*
Ann Battle
Alice Wang
Andrew Gray*
Emilio Jimenez*
Keith Stephan*
Perry Elbadrawi
Tal Reback
Meredith Coffey
Alex Strickler
Joe Demetrick
Maria Douvas
Matt Ochs*
Tom Wipf
Tom Deas
Andrei Wagner
Alexander Spiro
Andrew Wilson
Prudential Financial
Prudential Financial
Securities Industry and Financial Markets Association
Securities Industry and Financial Markets Association
Structured Finance Association
Structured Finance Association
TD Bank
TD Bank
Wells Fargo
Wells Fargo
Wells Fargo
World Bank Group

Ex-Officio ARRC Members
Commodity Futures Trading Commission
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
Federal Housing Finance Agency
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 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
National Association of Insurance Commissioners
New York State Department of Financial Services
Office of Financial Research
Office of the Comptroller of the Currency
U.S. Department of Housing and Urban Development
U.S. Securities and Exchange Commission
U.S. Securities and Exchange Commission
U.S. Securities and Exchange Commission
U.S. Securities and Exchange Commission
U.S. Treasury

Observers
Bank of Canada

Prudential Financial
Chris McAlister
Gary Horbacz*
Securities Industry and Financial Markets Association
Chris Killian
Rob Toomey*
Jen Earyes
Kristi Leo
Greg Moore
Priya Misra
Alexis Pederson
Brian Grabenstein
Susan Hughes
Don Sinclair*

Ex-Officio ARRC Members
Sayee Srinivasan
Abhishek Agarwal
Irina Leonova
Dan Coates
Betsy Bourassa
Fatima Madhany
Jamie Pfeifer
Jennifer Hur
Justin Epstein
Justine Hansen
Nate Dodge
Nate Wuerffel
Raymond Check
Scott Nagel
Veronika Jastrzebski
William Riordan
Darren Gersh
David Bowman
Evan Winerman
Jeffrey Huther
Eric Kolchinsky
Steven Kluger*
Matt McCormick*
Kevin Walsh*
Jose Fernandez
David Metzman
Jason Leung
Michelle Danis
Tamara Brightwell
Peter Phelan
Harri Vikstedt
BNP Paribas
Brunswick
Cadwalader
Cadwalader
Cadwalader
Consumer Bankers Association
Deloitte
Morgan Lewis
Oliver Wyman
Student Borrower Protection Center
Venerable

Simon Winn
Pauline Blondiaux
Jason Halper
Lary Stromfeld
Michael Sholem
Tim Carey
Alexey Surkov
Jon Roellke
Adam Schneider
Ben Kaufman*
Charles Schwartz

*This meeting was held via WebEx; asterisk indicates participation by dial-in.