

Alternative Reference Rates Committee (ARRC)

Minutes for the April 14, 2021 Meeting

The ARRC chair welcomed participants to the virtual meeting, and mentioned plans for the next SOFR Symposium.

It was noted that the CFTC's MRAC Subcommittee on interest rate benchmark reform was discussing steps it could take to increase liquidity and activity in the SOFR derivatives market.

The Legal working group marked the New York State's LIBOR legislation as a key milestone and noted that the legislation minimizes legal uncertainty as the financial system prepares for the end of the most-used LIBOR tenors in June 2023. The working group gave an update on the status of federal legislation and ARRC members expressed their support and highlighted the need to pass prompt federal legislation in order to support a smooth transition away from LIBOR for those contracts that do not have effective fallback provisions and are not covered by the New York legislation. Working group members also noted the upcoming House Financial Services Subcommittee [hearing](#) on LIBOR on April 15, 2021. Finally, working group members gave an update on the status of potential legislation in other states, emphasizing the importance of a consistent approach for all states.

Federal Reserve staff reviewed the decisions the ARRC had made thus far on its recommended spread adjustments.¹ The ARRC discussed the fallback waterfall recommendations the ARRC would need to make in connection with the NY legislation and the potential timing for such recommendations. The ARRC discussed the timing of its recommendations for 1-week and 2-month USD LIBOR fallbacks given that those rates will end as of this year and agreed that it would issue recommendations for fallbacks for overnight, 1-, 3-, and 6-month USD LIBOR not later than June 30, 2022.

The ARRC Chair then asked members who recused themselves from the Term Rate RFP work to drop off the line. The chair began a discussion on the key principles² to guide the ARRC in its consideration of a potential forward-looking SOFR term rate recommendation. The principles were approved by the ARRC without objection. Guided by the principles, the discussion then turned toward articulating the market indicators the ARRC will consider in recommending a forward-looking SOFR term rate.

The ARRC Chair closed the meeting by thanking everyone, noted an invite would be sent for a follow up meeting to continue the term rate discussion, and reminded everyone of the next regularly-scheduled ARRC meeting to be held on May 19th via Webex.

¹ For derivatives and [non-consumer cash products](#) the ARRC recommended long-run spread adjustment matches the value of ISDA's spread adjustments to US dollar LIBOR. The recommendation for [consumer products](#) also matches the ISDA value but includes a 1-year transition period.

² Following the April 14, 2021 ARRC meeting, the ARRC released its [key principles](#).

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In a follow-up call on April 28, 2021, ARRC members who had not recused themselves from the [Term Rate RFP](#) work continued discussion on the potential market indicators that would allow the ARRC to recommend a forward-looking SOFR term rate. In this context, they discussed the previous communications the group published on a SOFR forward-looking term rate, including the [Paced Transition Plan](#), the [ARRC's User's Guide to SOFR](#), and the principles the ARRC approved at its April 14, 2021 meeting that would guide the development of the market indicators. The ARRC members provided feedback on the indicators that were subsequently incorporated. The ARRC approved the indicators inclusive of that feedback, and the ARRC chair closed the meeting by noting that the indicators would be released soon.³

³ Following the April 14, 2021 ARRC meeting, the ARRC released its [market indicators](#).

Attendance at the April 14, 2021 Meeting

ARRC Members

American Bankers Association	Hu Benton
Association for Financial Professionals	Tom Hunt
Bank of America	Greg Todd
Bank of America	Janet Choi
Bank of America	Sonali Theisen
Bank of Canada	Sheryl King
BlackRock	Alex Krol
BlackRock	Jack Hattem
BNP Paribas	Guillaume Babbi
CME Group	Agha Mirza
CRE Finance Council	Lisa Pendergast
CRE Finance Council	Raj Aidasani
CRE Finance Council	Sairah Burki
Citigroup	Jeannine Hyman
Citigroup	Josie Evans
Citigroup	Tania (Yuanyuan) Yue
Comerica	Dave J Shipka
Deutsche Bank	Adam Eames
Deutsche Bank	Kayam Rajaram
Equitable	Julien Zusslin
Fannie Mae	Bob Ives
Fannie Mae	Wells Engledow
Federal Home Loan Bank	Phil Scott
Federal Home Loan Bank	Rei Shinozuka
Ford	Melissa Rotherf
Ford	Nathan Herbert
Freddie Mac	Karen Pilewski
Freddie Mac	Michelle Thomas
GE Capital	Fred Robustelli
Goldman Sachs	Guillaume Helie
Goldman Sachs	Jason Granet
Government Finance Officers Association	Pat Mccoy
HSBC	Blair Selber
HSBC	Shirley Hapangama
Huntington Bank	Beth Russell
Independent Community Bankers of America	Chris Cole
Intercontinental Exchange	Harvey Flax
International Swaps and Derivatives Association	Ann Battle
JP Morgan Chase & Co.	Alice Wang
JP Morgan Chase & Co.	Andrew Gray
JP Morgan Chase & Co.	Emilio Jimenez

KKR
LCH
Loan Syndications and Trading Association
Loan Syndications and Trading Association
MetLife
MetLife
MetLife
Morgan Stanley
Morgan Stanley
Morgan Stanley
Morgan Stanley
National Association of Corporate Treasurers
PIMCO
PIMCO
PIMCO
PNC
PNC
Prudential Financial
Prudential Financial
Securities Industry and Financial Markets Association
Securities Industry and Financial Markets Association
Structured Finance Association
TD Bank
US Chamber of Commerce
US Chamber of Commerce
Venerable
Wells Fargo
Wells Fargo

Ex-Officio ARRC Members

Commodity Futures Trading Commission
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
Federal Home Loan Bank
Federal Housing Finance Agency
Federal Reserve Bank of New York
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Tal Reback
Philip Whitehurst
Meredith Coffey
Tess Virmani
Alex Strickler
Joe Demetrick
William Ding
Maria Douvas-Orme
Matt Ochs
Paige Mandy
Tom Wipf
Tom Deas
Andrei Wagner
Jerome Schneider
Jerry Woytash
Alex Spiro
Andrew Wilson
Chris Mcalister
Gary Horbacz
Chris Killian
Rob Toomey
Kristi Leo
Priya Misra
Kristen Malinconico
Tom Quaadman
Charles Schwartz
Alexis Pederson
Brian Grabenstein

Sayee Srinivasan
Abhishek Agarwal
Irina Leonova
Kyle Lynch
Daniel Coates
Betsy Bourassa
Caitlin Briglio
Cam Fuller
Caren Cox
Fatima Madhany
Heidy Medina
Irmak Ince
Jamie Pfeifer
Justin Epstein

Federal Reserve Bank of New York
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Office of Financial Research
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Office of the Comptroller of the Currency
U.S. Department of Housing and Urban Development
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. Treasury
U.S. Treasury

Observers

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Brunswick
Brunswick
Cadwalader
Deloitte
Ernst & Young
Morgan Lewis
Oliver Wyman

Justine Hansen
Megan Zirinsky
Nathaniel Wuerffel
Ray Check
William Riordan
David Bowman
Darren Gersh
Erik Heitfeld
Evan Winerman
Jeffrey Huther
Robert "Jay" Kahn
Ang Middleton
Kevin Walsh
Jose Fernandez
Maria Chelo De Venecia
Tamara Brightwell
Michelle Danis
Jason Leung
Brian Smith
Chloe Cabot

Casey Gunkel
Catherine Hicks
Jeanmarie Mcfadden
Pauline Blondiaux
Lary Stromfeld
Alexey Surkov
Daniel Scrafford
Jon Roellke
Adam Schneider