The ARRC chair welcomed participants to the virtual meeting.

It was noted that the Interest Rate Benchmark Reform Subcommittee of the CFTC’s Market Risk Advisory Committee was moving to recommend a “SOFR First” transition initiative to prioritize interdealer trading in SOFR rather than LIBOR. The Subcommittee intends to recommend market best practices and timing for switching interdealer trading conventions from LIBOR to SOFR for USD linear interest rate swaps.¹

The Legal working group chairs noted that the House Financial Services Subcommittee on Investor Protection, Entrepreneurship and Capital Markets held a hearing on April 15 on LIBOR transition and shared key highlights. The chairs also noted that, in advance of the hearing, the Structured Finance Association and other leading industry groups submitted a letter to the Subcommittee, reiterating support for federal legislation to address tough legacy contracts and some institutions held joint trade meetings with the Subcommittee members.

The Nonfinancial Corporates working group chairs noted that a vendor survey is in progress and responses are due May 30. The survey is intended to gather information about LIBOR transition readiness and challenges among nonfinancial corporate systems vendors. The chairs also informed members that the Association for Financial Professionals, the National Association of Corporate Treasurers, and the U.S. Chamber of Commerce’s Center for Capital Markets Competitiveness submitted a letter to the Department of the Treasury, Board of Governors of the Federal Reserve System, New York Fed, CFTC, and SEC, highlighting the various challenges that the LIBOR transition represents to the community of nonfinancial corporates.

Federal Reserve staff noted that the ARRC expects to release an updated version of the current LIBOR ARM transition guide soon.

The ARRC Chair then asked members who recused themselves from the Term Rate RFP work to drop off the line. The Term rate working group provided an overview of the evaluation process and criteria for selecting a forward-looking SOFR term rate administrator and identified CME Group’s submission as the strongest proposal. The members noted support for the working group’s recommendation. The members agreed to announce, in the coming days, that the ARRC would select CME Group as the administrator for a forward-looking SOFR term rate, once

¹ On June 8, 2021, the Subcommittee announced its recommended market best practice for switching interdealer trading conventions from LIBOR to SOFR for USD linear interest rate swaps. Specifically, the Subcommittee recommends that on July 26, 2021 and thereafter, interdealer brokers replace trading of LIBOR linear swaps with trading of SOFR linear swaps. The Subcommittee also recommends keeping interdealer broker’s screens for LIBOR linear swaps available for informational purposes (not for trading activity) until October 22, 2021 and turning the screens off after that date. The ARRC issued a press release welcoming the Subcommittee’s recommendations.
market indicators for the term rate are met. It was noted that the Term Rate task force will now work on outlining recommended best practices for the use of the term rate.

An ARRC member highlighted that some ARRC members appeared to publicly suggest that reference rate alternatives to SOFR, including credit-sensitive rates, were not suitable for market participants to use, and asked whether this was consistent with the ARRC’s position on such rates. The member suggested that the ARRC make clear that it has not formed a view regarding the suitability of credit sensitive rates. The ARRC Chair remarked that the ARRC’s current mandate is to ensure the successful implementation of the Paced Transition Plan, which the ARRC adopted in 2017 with specific steps and timelines designed to encourage market participants to adopt SOFR. The ARRC chair reiterated that the ARRC selected SOFR, as its recommended alternative reference rate to USD LIBOR after considering a comprehensive list of potential alternatives (including several types of term unsecured rates) based on the ARRC’s criteria and public consultations and concluded that they were not suitable for the ARRC’s recommendation based on its criteria. The ARRC chair noted that it is not part of the ARRC’s current mandate to establish a position on other rates. It was noted that the ARRC has existing FAQs that highlight that the ARRC supports a vibrant and innovative market with reference rates that are robust and available for use before the end of 2021.

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2 Following the May 19, 2021 meeting, the ARRC released an update on its process for selecting a forward-looking SOFR term rate administrator.

3 For additional information on the ARRC’s criteria and selection process see the ARRC’s Second Report.
Attendance at the May 19, 2021 Meeting

ARRC Members
American Bankers Association
Association for Financial Professionals
Bank of America
Bank of America
Bank of America
Bank of America
Bank of Canada
BlackRock
BlackRock
CME Group
CRE Finance Council
CRE Finance Council
Citigroup
Citigroup
Citigroup
Comerica
Deutsche Bank
Deutsche Bank
Equitable
Fannie Mae
Fannie Mae
Federal Home Loan Bank
Ford Motor Company
Freddie Mac
Freddie Mac
Freddie Mac
Freddie Mac
Goldman Sachs
Goldman Sachs
HSBC
Huntington Bank
Independent Community Bankers of America
Independent Community Bankers of America
Intercontinental Exchange
International Swaps and Derivatives Association
JP Morgan Chase & Co.
JP Morgan Chase & Co.
JP Morgan Chase & Co.
KKR
LCH
Loan Syndications and Trading Association
Loan Syndications and Trading Association

Hu Benton
Tom Hunt
Greg Todd
Janet Choi
Sonali Theisen
Sheryl King
Alex Krol
Jack Hattem
Agha Mirza
Raj Aidasani
Sairah Burki
Jeannine Hyman
Josie Evans
Tania (Yuanyuan) Yue
Dave J Shipka
Adam Eames
Kayam Rajaram
Julien Zusslin
Bob Ives
Wells Engledow
Phil Scott
Jason Behnke
Ameez Nanjee
Guim Barbour
Karen Pilewski
Michelle Thomas
Alan Farrell
Guillaume Helie
Shirley Hapangama
Beth Russell
Chris Cole
James Kendrick
Harvey Flax
Ann Battle
Alice Wang
Emilio Jimenez
Perry Elbadrawi
Tal Reback
Philip Whitehurst
Meredith Coffey
Tess Virmani
MetLife
MetLife
Morgan Stanley
Morgan Stanley
Morgan Stanley
Morgan Stanley
National Association of Corporate Treasurers
PIMCO
PNC
PNC
Prudential Financial
Prudential Financial
Securities Industry and Financial Markets Association
Securities Industry and Financial Markets Association
Structured Finance Association
TD Bank
TD Bank
US Chamber of Commerce
Venerable
Wells Fargo
Wells Fargo
Wells Fargo
World Bank Group

Joe Demetrick
William Ding
Maria Douvas-Orme
Matt Ochs
Paige Mandy
Tom Wipf
Tom Deas
Jerome Schneider
Alex Spiro
Andrew Wilson
Chris Mcalister
Gary Horbacz
Chris Killian
Rob Toomey
Kristi Leo
Greg Moore
Priya Misra
Kristen Malinconico
Charles Schwartz
Alexis Pederson
Brian Grabenstein
Susan Hughes
Don Sinclair

Ex-Officio ARRC Members
Commodity Futures Trading Commission
Commodity Futures Trading Commission
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
Federal Home Loan Bank
Federal Home Loan Bank
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 Board of Governors
Federal Reserve Board of Governors
Federal Reserve Board of Governors

Alicia Lewis
Sayee Srinivasan
Abhishek Agarwal
Irina Leonova
Kyle Lynch
Rei Shinozuka
Daniel Coates
Betsy Bourassa
Caitlin Briglio
Cam Fuller
Caren Cox
Fatima Madhany
Jamie Pfeifer
Nathaniel Wuerffel
Pooja Gupta
William Riordan
David Bowman
Darren Gersh
Erik Heitfeld
Federal Reserve Board of Governors
Federal Reserve Board of Governors
New York State Department of Financial Services
Office of Financial Research
Office of the Comptroller of the Currency
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
U.S. Treasury
U.S. Treasury

Observers
BNP Paribas
Brunswick
Cadwalader
Deloitte
Ernst & Young
Morgan Lewis
Oliver Wyman

Evan Winerman
Jeffrey Huther
Steven Kluger
Robert Kahn
Ang Middleton
Kevin Walsh
Jose Fernandez
Maria Chelo De Venecia
Tamara Brightwell
Michelle Danis
Jason Leung
Brian Smith
Chloe Cabot
Daniel Harty
Joshua Frost
Simon Winn
Jeanmarie Mcfadden
Lary Stromfeld
Alexey Surkov
John Boyle
Jon Roellke
Adam Schneider