Alternative Reference Rates Committee (ARRC)

Minutes for the January 13, 2021 Meeting

The ARRC Chair welcomed participants to the virtual meeting. Federal Reserve staff and the ARRC Chair thanked Peter Phelan of the U.S. Department of Treasury for serving as an ex-officio member of the ARRC.

ARRC members ratified the ARRC’s Terms of Reference and reaffirmed adherence to the Antitrust Guidelines.

The ARRC Chair welcomed Alastair Hughes of the Bank of England who discussed the Working Group on Sterling Risk-Free Reference Rates’ (the "Sterling Working Group") public consultation on the term SONIA reference rates. He provided context to the Sterling Working Group’s prevailing view, which is that direct use of overnight SONIA should become the norm in most derivatives, bonds, and bilateral and syndicated loan markets and highlighted the importance of maintaining a limited scope of use of the forward-looking term rate in cash markets.

The ARRC Chair then facilitated a group discussion focused on the ARRC’s 2021 objectives. ARRC members discussed areas of work which they view as most critical in the year ahead including, but not limited to, legislative efforts, term rate scope of use and operational readiness for the LIBOR transition.

The Legal working group co-Chairs apprised the ARRC members that Governor Cuomo is expected to present FY 2022 New York State Executive Budget later this month and were hopeful that the ARRC’s proposed legislation would be included in the budget.¹ Legal working group representatives also discussed the ARRC’s proposed New York State legislation and a proposal for federal legislation under consideration by certain members of Congress.

The ARRC members discussed different technical details related to its recommendations for a consumer spread adjustment methodology. The final technical details of the ARRC’s spread-adjustment proposals are expected to be released in the upcoming weeks.

Members who have recused themselves from the Spread Adjustment RFP work then dropped off the line ahead of an update on the RFP, including a discussion of the RFP evaluation group’s impressions on the vendors who submitted proposals and answered questions by ARRC members. It was noted that a formal recommendation would be expected to be sent to ARRC members in order to support the ARRC in finalizing the vendor selection.

¹ Subsequent to the January 13, 2021 ARRC meeting, Governor Cuomo presented his Executive Budget which included the ARRC’s proposed LIBOR legislation.
The ARRC Chair closed the meeting by thanking everyone and noting that the next ARRC meeting is scheduled to be held February 17th via Webex.
Attendance at the January 13, 2021 Meeting*

**ARRC Members**

AXA
Bank of America
Bank of America
Bank of America
BlackRock
Citigroup
Citigroup
CME Group
Comerica
CRE Finance Council
CRE Finance Council
CRE Finance Council
Deutsche Bank
Deutsche Bank
Fannie Mae
Fannie Mae
Federal Home Loan Bank
Federal Home Loan Bank
Federal Home Loan Bank
Ford
Ford
Freddie Mac
Freddie Mac
GE Capital
GE Capital
Goldman Sachs
Goldman Sachs
Government Finance Officers Association
HSBC
HSBC
Huntington Bank
Independent Community Bankers of America
Intercontinental Exchange
International Swaps and Derivatives Association
JP Morgan Chase & Co.
JP Morgan Chase & Co.
JP Morgan Chase & Co.
JP Morgan Chase & Co.

Julien Zusslin
Sonali Theisen
Greg Todd*
Alex van Voorhees
Jack Hattem
Josie Evans
Tania Yue
Agha Mirza
Dave J Shipka
Lisa Pendergast
Raj Aidasani
Sairah Burki
Adam Eames
Greg Coutu
Robert Ives
Wells Engledow
Kyle Lynch
Philip Scott
Rei Shinozuka
Jason Behnke
Nathan Herbert
Colleen Janosik
Ameez Nanjee
Guim Barbour
Michelle Thomas
Fred Robustelli
Michael Taets
Guillaume Taets
Jason Granet
Emily Brock
Blair Selber
Shirley Hapangama
Beth Russell
Christopher Cole
Harvey Flax
Phoebe Coutts
Vickie Alvo
Alice Wang
Andrew Gray
Emilio Jimenez
JP Morgan Chase & Co.                Keith Stephan
JP Morgan Chase & Co.                Perry Elbadrawi
JP Morgan Chase & Co.                Katie Morgan
JP Morgan Chase & Co.                Matt Simon
KKR                                  Tal Reback
LCH                                  Philip Whitehurst
Loan Syndications and Trading Association
Loan Syndications and Trading Association
MetLife                               Meredith Coffey
MetLife                               Tess Virmani
MetLife                               Alex Strickler
Morgan Stanley                        Joe Demetrick
Morgan Stanley                        Maria Douvas
Morgan Stanley                        Matt Ochs
Morgan Stanley                        Michelle Goldstein
Morgan Stanley                        Paige Mandy
Morgan Stanley                        Tom Mandy
Morgan Stanley                        Tom Wipf
National Association of Corporate Treasurers
PIMCO                                 Courtney Garcia
PNC                                   Alex Spiro
PNC                                   Andrew Wilson
Prudential Financial                 Chris McAlister
Prudential Financial                 Gary Horbach
Securities Industry and Financial Markets Association
Securities Industry and Financial Markets Association
Structured Finance Association       Jen Earyes
Structured Finance Association       Kristi Leo
TD Bank                               Greg Moore
TD Bank                               Priya Misra
U.S. Chamber of Commerce              Kristen Malinconico
U.S. Chamber of Commerce              Tom Quaadman
Wells Fargo                            Alexis Pederson
Wells Fargo                            Brian Grabenstein
World Bank Group                      Don Sinclair

Ex-Officio ARRC Members
Commodity Futures Trading Commission Sayee Srinivasan
Consumer Financial Protection Bureau  Abhishek Agarwal
Federal Deposit Insurance Corporation Irina Leonova
Federal Housing Finance Agency        Daniel E. Coates
Federal Reserve Bank of New York      Betsy Bourassa
Federal Reserve Bank of New York      Cam Fuller
Federal Reserve Bank of New York      Fatima Madhany
Federal Reserve Bank of New York      Irmak Ince
Federal Reserve Bank of New York      Jamie Pfeifer
Federal Reserve Bank of New York      Justin Epstein
Federal Reserve Bank of New York      Justine Hansen
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
Federal Reserve Board of Governors
Federal Reserve Board of Governors
Federal Reserve Board of Governors
National Association of Insurance Commissioners
New York Department of Financial Services
Office of Financial Research
Office of Financial Research
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. 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
Bank of Canada
BNP Paribas
Boston Consulting Group
Brunswick
Brunswick
Brunswick
Cadwalade
Deloitte
Ernst & Young
Morgan Lewis
MTA
Oliver Wyman
Venerable

Speakers
Bank of England

Nate Wuerffel
Raymond Check
William Riordan
Darren Gersh
David Bowman
Erik Heitfield
Evan Winerman
Jeffrey Huther
Eric Kolchinsky
Steven Kluger
Robert "Jay" Kahn
Ron Alquist
Sriram Rajan
Ang Middleton
Kevin Walsh
Maria Chelo DeVenecia
Jose Fernandez
Richard Perrelli
David Metzman
Jason Leung
Michelle Danis
Chloe Cabot
Peter Phelan
Sheryl King
Simon Winn
Roy Choudhury
Pauline Blondiaux
Elizabeth Lilly
Jeanmarie McFadden
Lary Stromfeld
Alexey Surkov
Daniel Scrafford
Jon Roellke
Pat McCoy
Adam Schneider
Charles Schwartz

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