Transition from U.S. Dollar LIBOR – Timeline

The Alternative Reference Rates Committee (ARRC) was originally convened in November 2014. Significant progress has been made to date.

2016
- May – FCA Bailey said panel banks will not be compelled to submit to LIBOR past 2021
- Jun. – ARRC selected SOFR as its recommended alternative to USD LIBOR

2017
- Apr. – New York Fed/OFR began publishing SOFR
- Mar. – ARRC’s second report published
- ARRC reconstituted with expanded membership

2018
- Jul. – CME launched SOFR futures
- Jul. – LCH began clearing SOFR swaps
- Fannie Mae issued first SOFR-based FRN
- Oct. – CME began clearing SOFR swaps using SOFR PAIdiscounting and FASB added SOFR to its hedge accounting list

2019
- Oct. – CME began clearing SOFR swaps
- Fannie Mae issued first SOFR-based FRN
- ARRCC issued guiding principles for fallback contract language
- S&P announced SOFR is an “anchor money market reference rate”

2020
- 1H 2019 - Continue to build liquidity in SOFR markets
- ARRC is seeking to produce an indicative SOFR-based term reference rate based on futures data to help promote market familiarity with the term rate
- ARRC expects to produce final recommendations for safer contract language in FRNs, business loans, and securitizations

EOY 2021 – Create a forward-looking SOFR term reference rate

As of 1/30/19

*ARRC expects to consult on fallback language for other cash products

Key
- Complete
- Anticipated Completion
- Completed ahead of schedule

ARRC’s interim report and consultation published
EOY 2019 – ISDA seeking to amend definitions and offer a protocol
EOY 2020 – LCH to move PAI/discounting to SOFR
EOY 2021 – Create a forward-looking SOFR term reference rate

ARRC’s second report
ARRC reconstituted with expanded membership
FASB added SOFR to its hedge accounting list
Continued to build liquidity in SOFR markets
ARRC is seeking to produce an indicative SOFR-based term reference rate based on futures data to help promote market familiarity with the term rate
ARRC expects to produce final recommendations for safer contract language in FRNs, business loans, and securitizations

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