# 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.

**2020 Objectives and Paced Transition Plan**

- **Apr.** – ARRC unveils key objectives for 2020

**Key Transition Developments**

- **May** – ARRC releases **Recommended fallback language for residential ARMs**
- **May** – ARRC publishes its **Proposed ARRC Draft Legislative Relief**; New York Fed/OFR begin publishing SOFR Averages and SOFR Index
- **Jan.** – ARRC releases recommendations for interdealer cross-currency swap market conventions; ARRC issues vendor survey and buy-side checklist

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 (through May, June cont’d on Slide 2)</th>
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<tbody>
<tr>
<td>May</td>
<td>CME launched SOFR futures</td>
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<td>Apr.</td>
<td>New York Fed/OFR began publishing SOFR</td>
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<td>Oct.</td>
<td>ARRCh Paced Transition Plan adopted</td>
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<td>Jun.</td>
<td>ARRC selected SOFR as its recommended alternative to USD LIBOR</td>
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<td>Jul.</td>
<td>FCA Bailey said panel banks will not be compelled to submit to LIBOR past 2021</td>
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<td>Mar.</td>
<td>ARRC’s second report published; ARRC reconstituted with expanded membership</td>
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<td>Apr./May.</td>
<td>ARRC releases recommended fallback language for FRNs, business loans, and securitizations as well as a User’s Guide to SOFR</td>
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<td>Jul.</td>
<td>ARRC releases SOFR ARM Whitepaper</td>
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<td>Sep.</td>
<td>ARRC releases practical implementation checklist for SOFR adoption</td>
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<td>Nov./Dec.</td>
<td>U.S. Authorities issue accounting, tax, and margin relief proposals</td>
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<td>Mar.</td>
<td>ARRC publishes its Proposed ARRC Draft Legislative Relief; New York Fed/OFR begin publishing SOFR Averages and SOFR Index</td>
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<td>Apr.</td>
<td>ARRC announces its recommendations for spread adjustment methodology</td>
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<td>May</td>
<td>ARRC releases Best Practices and swaptions recommendations</td>
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As of 5/27/20
In 2020, the ARRC has set out objectives for itself and recommended best practices for market participants as the transition continues.

**2020 Objectives and Paced Transition Plan**
- Sep. - ARRC to establish RFP processes to facilitate the eventual publication of (a) forward-looking term SOFR rates and (b) the ARRC’s recommended spread adjustment for transition of legacy contracts
- Jul. – ARRC to publish final recommended conventions for SOFR-based floating rate notes, business loans, and securitizations
- ISDA expects to publish its protocol and updated definitions
- Oct. 16 – CME and LCH to move to SOFR PAI and discounting on new and legacy swaps
- Nov. - Market participants should adhere to the ISDA Protocol within 4 months of publication
- Dec. 31 – Banks no longer obligated to make LIBOR submissions

**Best Practice Recommendations**
- Jun. - ARRC to publish revised hardwired business loan fallback language as well as fallback language and conventions for new student loans
- Oct. 16 – CME and LCH to move to SOFR PAI and discounting on new and legacy swaps
- Mar. 31 – Dealers should change market convention for quoting USD derivatives from LIBOR to SOFR
- Dec. 31 – No new FRNs using LIBOR and maturing after 2021; securitization vendors should be ready to support SOFR; Dealers should offer electronic market making in SOFR derivatives
- Jun. 30 – No new LIBOR CLOs (corporate or CRE)
- Sep. 30 – New business and student loans should include ARRC-recommended hardwired fallback language; No new applications of LIBOR ARMs; Business loans and consumer mortgages vendors should be ready to support SOFR; Dealers should offer electronic market making in SOFR derivatives
- Nov. - Market participants should adhere to the ISDA Protocol within 4 months of publication
- Jun. 30 – No new LIBOR business loans, floating-rate securitizations (with the exception of CLOs), or derivative trades that increase LIBOR risk
- Sep. 30 – No new LIBOR CLOs (corporate or CRE)
- H1 - ARRC will seek to recommend a forward-looking SOFR term reference rate by the end of 2021 H1
- Fannie Mae and Freddie Mac no longer purchase LIBOR ARMs
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**Key Transition Development (Not Best Practices-related)**
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