LIBOR Transition Timeline

LIBOR	Transition	LIBOR Transition Timeline		
Key ISDA, LSTA, and Other Industry Developments		ARRC's Paced Transition Plan and Key Developments		
		EOY 2021 – Banks no longer obligated to make LIBOR submissions		
		LIBOR publication expected to cease Sept. – No new LIBOR CLOs (corporate or CRE) by Sept. 30		
	2021	By Q2 2021 – ARRC will seek to recommend a forward-looking SOFR term reference rate		
	2021	CCPs to no longer accept new swap contracts for clearing with EFFR as PAI and discounting		
		 June – No new LIBOR business loans, floating-rate securitizations (with the exception of CLOs), or derivative trades that increase LIBOR risk by June 30 		
Jan. – Market participants should adhere to the ISDA protocol within 4	¢	Mar. – Dealers should change market convention for quoting USD derivatives from LIBOR to SOFR by March 31		
		 Dec. – No new FRNs using LIBOR and maturing after 2021; Securitization vendors should be ready to support SOFR; Dealers should amend interdealer CSAs to use and make markets in SOFR-linked interest rate 		
		Fannie Mae/Freddie Mac no longer purchase LIBOR ARMs		
Oct. (or later date) – ISDA seeking to amend 2006 ISDA Definitions and Offer a protocol	c	Oct. – CME and LCH to move to SOFR PAI and discounting on new and legacy swaps		
Oct. – DOJ issues favorable <u>business review letter</u> to ISDA for proposed •	TODAY	ARRC to publish final recommended conventions for SOFR-based floating rate notes, bilateral business loans, and securitizations By Oct. 31 – new bilateral business loans should include ARRC-		
Sept. – ISDA announced updated timetable for release of supplement to	•	 Sept. – ARRC released <u>RFP</u> for the administration of recommended spread adjustments and spread-adjusted SOFR rates 		
the 2006 ISDA Definitions and related IBOR Fallback Protocol		ARRC released <u>RFP</u> for the publication of forward-looking SOFR term rates		
		<u>By Sept. 30</u> – new syndicated 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		
August – LSTA <u>announced</u> project to develop forms of amendment for	•	August – ARRC released updated recommended fallback language for bilateral business loans		
		ARRC released SOFR Starter Kit ARRC published transition resource guides for ARMs and private		
		student loans ARRC released updated <u>best practices</u> to encourage adherence to ISDA's IBOR Fallback Protocol; ARRC's Chair, Tom Wipf,		
July – Bloomberg began publishing fallback rates for certain key		published letter encouraging adherence to ISDA's protocol		
IBORs LSTA published final draft <u>concept credit agreement</u> referencing daily simple SOFR or daily compounded SOFR		July – ARRC released <u>conventions</u> on using SOFR in arrears for syndicated loans ARRC published <u>Internal Systems & Processes: Transition Aid for</u>		
FSB and Basel Committee set out <u>supervisory recommendations</u> for benchmark transition		SOFR Adoption		
FSB published <u>statement</u> on impact of COVID-19 on global benchmark reform European Commission <u>announced</u> proposal to enhance powers to				
address "tough legacy" LIBOR contracts ISDA published <u>statement</u> from its Board of Directors on adherence to forthcoming IBOR Fallback Protocol		June – ARRC released updated recommended fallback language for syndicated loans		
June – ISDA published <u>factsheet</u> on why changes to fallbacks are	•	ARRC <u>announced</u> further details regarding its recommendation of spread adjustments		
necessary FCA sent follow-up <u>letter</u> to ISDA regarding interaction between LIBOR cessation and loss of representativeness		ARRC <u>welcomed</u> CFPB's updated <u>Consumer Handbook on ARMs</u> and <u>proposed rule</u> to facilitate LIBOR transition <u>By June 30</u> – Newly issued FRNs, residential ARMs, and		
UK Government <u>announced</u> enhanced FCA powers to address "tough legacy" LIBOR contracts; FCA published <u>statement</u> welcoming UK Government's announcement, as well as <u>FAQ</u> on the proposed	2020	securitizations should include recommended fallback language May – ARRC updated its <u>FAQ</u> to reflect recent developments and progress on LIBOR transition		
legislation; ISDA's CEO, Scott O'Malia, published <u>informal comments</u> on the UK's proposed legislation ISDA/Bloomberg/Linklaters published <u>IBOR Fallbacks Factsheet</u>		ARRC's Floating Rate Notes Working Group released <u>statement</u> on the use of SOFR Index		
		ARRC announced responses to January consultation and issues supplemental consultation on spread adjustment methodology ARRC released best practices for vendors' transition to SOFR		
		and vendor readiness survey <u>results</u> ARRC published <u>best practices</u> for completing transition from LIBOR and accompanying <u>fact sheet</u>		
May – ISDA launched its webpage as the central repository for financial benchmark reform and transition from LIBOR	•	Fannie Mae/Freddie Mac publish LIBOR Transition Playbook		
ISDA published <u>report</u> summarizing final results of LIBOR pre- cessation consultation		April – ARRC announced <u>recommendation</u> of spread adjustment methodology for cash products ARRC commended Fannie Mae and Freddie Mac's progress on		
April – ISDA announced preliminary results of LIBOR pre-cessation		first SOFR-based consumer loan products ARRC announced its <u>key objectives</u> for 2020		
consultation ISDA and Bloomberg published IBOR Fallback Rate Adjustments Rulebook		 March – NY Fed began <u>publishing</u> SOFR Averages and a SOFR Index ARRC released <u>proposal</u> for New York legislation for USD LIBOR contracts 		
	•	UK FCA published <u>statement</u> that LIBOR cessation still expected at end of 2021 despite impact of COVID-19 pandemic		
March – LSTA distributed draft Simple SOFR in Arrears concept credit agreement ISDA published report summarizing final results of consultation		Feb. – ARRC released <u>consultation</u> on swaptions impacted by CCPs' discounting transition to SOFR		
on spread/term adjustments for EUR LIBOR/EURIBOR fallbacks	•)	Fannie Mae/Freddie Mac <u>announce</u> plans to stop accepting LIBOR-based residential ARMs by the end of 2020 and to begin accepting SOFR-based residential ARMs in 2H 2020		
Feb. – ISDA released <u>new consultation</u> on how to implement pre- cessation fallbacks for derivatives	•	Jan. – ARRC released <u>consultation</u> on spread adjustment methodologies for cash products referencing USD LIBOR ARRC published <u>recommendations</u> for interdealer cross-		
ISDA published <u>statement</u> summarizing responses to supplemental consultation on spread/term adjustments for EUR LIBOR/EURIBOR fallbacks		currency basis swaps that use SOFR and other RFRs ARRC released <u>buy-side checklist</u> and <u>vendor survey</u> to assess readiness to SOFR Transition		
Dec. – ISDA released supplemental consultation on spread/term •	•	Dec. – CFTC issues <u>no-action letters</u> providing market participants with LIBOR transition relief		
Nov. – ISDA published report summarizing responses to consultation on final parameters of adjustments to derivatives	•	Nov. – ARRC published final recommended fallback language for <u>residential ARMs</u> and <u>summary</u> of ARRC's		
fallbacks for certain IBORs Oct. – LSTA published draft "concept credit agreement" referencing compound average of daily SOFRs calculated in		LIBOR fallback language to-date FRBNY released <u>consultation</u> on publication of SOFR averages and a SOFR index, with plan to initiate		
arrears Treasury and IRS published <u>proposed regulations</u> providing tax relief related to LIBOR transition issues		publication of averages in 1H 2020 Fannie Mae/Freddie Mac announce plans to include ARRC's recommended language in their residential		
ISDA published report summarizing responses to consultation on pre- cessation issues for LIBOR and certain other IBORs	•	mortgage note templates in the first quarter of 2020		
Sept. – ISDA released consultation to finalize methodologies for adjustments to derivatives fallbacks if/when certain IBORs are permanently discontinued	• 2019	Sept. – ARRC published <u>Practical Implementation Checklist for</u> SOFR Adoption Aug. – ARRC published <u>SOFR Floating Rate Notes Conventions Matrix</u>		
July – ISDA selected Bloomberg Index Services Limited to calculate and publish adjustments related to benchmark fallbacks in its 2006 ISDA Definitions	•			
May – ISDA released supplemental consultation on adjustments to fallback • rates for certain IBORs and consultation on pre-cessation issues for LIBOR and certain other IBORs	•	May – ARRC published final recommended fallback language for <u>bilateral business loans</u> and <u>securitizations</u>		
		April – FRB produced <u>indicative SOFR-based term</u> <u>reference rate</u> based on futures data APPC published "A Liser's Guide to SOEP"		
		ARRC published " <u>A User's Guide to SOFR</u> " ARRC published final recommended fallback language for <u>FRNs</u> and <u>syndicated loans</u>		
Dec. – ISDA published ISDA 2018 Benchmarks Supplement Protocol		Dec. – ARRC released consultations on USD LIBOR fallback language for <u>bilateral business loans</u> and <u>securitizations</u>		
ISDA published report summarizing final results of consultation on technical issues related to benchmark fallbacks for derivatives contracts referencing certain IBORs		Oct. – ICE launched 1- and 3-month SOFR futures contracts CME cleared its first IRS referencing SOFR		
		(with PAI/discounting linked to SOFR) FASB approved SOFR OIS as benchmark interest rate for hedge accounting purposes		
Sept. – ISDA published ISDA Benchmarks Supplement	•	Sept. – ARRC released consultations on USD LIBOR fallback contract language for <u>FRNs</u> and <u>syndicated business loans</u>		



Current as of 10/2/2020