

LIBOR Phase-Out Task Force

HCMP has assembled a team of experienced legal professionals to assist clients who will be affected by the London Interbank Offered Rate's (LIBOR) expected cessation on December 31, 2021. Our lawyers draw upon their commercial lending experience to counsel clients on updating contracts impacted by the upcoming phase-out.

Our LIBOR Phase-Out Task Force helps clients:

- Understand why LIBOR is being replaced as a primary index rate and how this impacts financing and derivative transactions
- Plan for the replacement of LIBOR as the reference rate for existing contracts and loan documents
- Learn about SOFR—the proposed replacement index rate for USD-based contracts—and its benefits and shortcomings
- Determine steps to take as a lender when transitioning transaction documents to an alternative reference rate
- Identify steps to take as a borrower in connection with LIBOR replacement in financing documents

Additionally, HCMP's LIBOR Phase-Out Task Force advises companies throughout the Northwest expecting to adhere to ISDA's LIBOR replacement protocols.

Resources

LIBOR Phase-Out Webinar

The presenters at this webinar regularly represent lenders and businesses in financing transactions and address the impacts of the phase-out of LIBOR as a primary index rate, the implementation of SOFR as a replacement index rate, and the hurdles associated with the modification of existing LIBOR-based financing transactions before December 31, 2021.

- To view the slide deck from the webinar, click [here](#).
- For a recording of the webinar, click [here](#).

7/29/21 Update: ARRC Formally Recommends Term SOFR

The Alternative Reference Rates Committee (ARRC) today announced that it is now formally recommending [CME Group's forward-looking Secured Overnight Financing Rate \(SOFR\) term rates](#) (SOFR Term Rates), following the completion of a [key change](#) in interdealer trading conventions on July 26, 2021 under the SOFR First initiative. The ARRC's formal recommendation of SOFR Term Rates is a major milestone in the transition away from U.S. dollar (USD) LIBOR, providing market participants with an essential transition tool and marking the completion of the [Paced Transition Plan](#) that the ARRC outlined in 2017 and has been working toward since.

To read the full update from ARRC, click [here](#).

7/21/21 Update: ARRC Recommends Loan Conventions and Best Practices for Use of Forward-Looking SOFR Term Rate to Accelerate the Transition Away from LIBOR

In anticipation of the Alternative Reference Rates Committee's (ARRC) impending formal recommendation of the forward-looking Secured Overnight Financing Rate term rates (SOFR Term Rates) produced by the CME Group, the ARRC is announcing [conventions](#) and [use cases](#) for how best to employ the SOFR Term Rates to successfully transition away from U.S. dollar (USD) LIBOR. The ARRC's formal recommendation will complete the last step in making the SOFR Term Rates widely available, and is expected to follow shortly after the [July 26 move of interdealer trading conventions to SOFR](#).

To read the full update from ARRC, click [here](#).

3/25/21 Update: ARRC Releases Supplemental Recommendation of Hardwired Fallback Language for Business Loans

Supplements Fallback Language in Light of the Definitive Endgame Announcements from LIBOR's Regulator and its Administrator

On March 25th, 2021, the Alternative Reference Rates Committee (ARRC) released [supplemental versions](#) of its recommendation of hardwired fallback language for U.S. dollar (USD) LIBOR denominated syndicated and bilateral business loans. The supplemental recommendation for business loans sets out abridged versions of the 2020 fallback language for syndicated business loans and bilateral business loans incorporating the certainty on fallback timing and economics afforded by the March 5th announcements. These simplified versions of the ARRC's hardwired business loans fallback reflect the ARRC's continued efforts to support a seamless transition away from USD LIBOR and encourage the broad voluntary adoption of the ARRC's recommended alternative reference rate, the Secured Overnight Financing Rate (SOFR).

To read the full update from ARRC, click [here](#).

3/23/21 Update: ARRC's SOFR Symposium

To view a recording of the symposium, click [here](#).

3/17/21 Update: ARRC Announces Refinitiv as Publisher of its Spread Adjustment Rates for Cash Products

On March 17, 2021, The Alternative Reference Rates Committee (ARRC) announced that it has selected Refinitiv, an LSEG (London Stock Exchange Group) business, to publish its recommended spread adjustments and spread-adjusted rates for cash products, following a robust request for proposals (RFP) process. Refinitiv will publish ARRC-recommended spread adjustments to Secured Overnight Financing Rate (SOFR)-based rates and spread-adjusted SOFR-based rates for cash products that transition away from U.S. dollar (USD) LIBOR.

To view the full update from ARRC, click [here](#).

3/5/21 Update: Delay in Cessation of LIBOR

On March 5, 2021, the administrator of LIBOR (the ICE Benchmark Administration) and the regulator of LIBOR (the Financial Conduct Authority of the United Kingdom) confirmed the anticipated eighteen-month delay in the cessation of the most commonly used US Dollar LIBOR tenors. Click the links below to learn more.

[Web version](#) | [Print version](#)

The Alternative Reference Rates Committee (ARRC) Email Alerts

The ARRC issues regular updates, links to useful publications, and recommendations to assist lenders and businesses navigating this transition. Sign up [here](#) to receive email updates from the ARRC.

The ARRC's website is an invaluable resource for lenders and borrowers.

[View the Alternative Reference Rates Committee website](#)

[ARRC FAQs Regarding the Occurrence of a Benchmark Transition Event](#)

ARRC General Resources

- [ARRC Frequently Asked Questions](#) (last updated October 15, 2020)
 - [ARRC Best Practices for Completing the Transition from LIBOR](#)
 - [SOFR Starter Kit](#)
 - [Conventions for Using SOFR in Arrears in Bilateral Business Loans](#)
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ARRC-Recommended Fallback Language for Loan Documents

- [2020 Hardwired Fallback Language for Syndicated Loan](#)
 - [2020 Hardwired Fallback Language for Bilateral Business Loans](#)
 - [2019 Amendment Approach Fallback Language for Syndicated Loans](#)
 - [2019 Amendment Approach Fallback Language for Bilateral Business Loans](#)
 - [FAQs for Hardwired Fallback Language](#)
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ISDA Resources

- [ISDA Website](#)
- [ISDA 2020 IBOR Fallbacks Protocol](#) (October 23, 2020)