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GFOA Files Response to Proposed LIBOR Fallback Language.

As a member of the Alternative Reference Rates Committee of the Federal Reserve Bank of New York, GFOA has strong interest in ensuring that governmental issuers have comprehensive guidance as protocol as you are presented with choices as the market nears the end of LIBOR and transitions to SOFR. This exercise is especially important in the public markets where we promote transparency to ensure that investors have appropriate material information about municipal securities.

This week, GFOA filed comments in response to the ARRC consultation for fallback language for floating rate notes ("FRN"). GFOA supports efforts to ensure that robust fallback provisions are in place and are accessible to all issuers in preparation for the cessation of LIBOR in 2021. Our evaluation is based on the premise that the market will prefer as much clarity at the time of issuance of any new LIBOR based FRN as possible.

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