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## **The End of LIBOR: Transitioning to an Alternative Interest Rate - SIFMA Submission**

### **SUMMARY**

Submission for the Record by SIFMA before the U.S. House Committee on Financial Services Committee Subcommittee on Investor Protection, Entrepreneurship and Capital Markets in the hearing: "The End of LIBOR: Transitioning to an Alternative Interest Rate Calculation for Mortgages, Student Loans, Business Borrowing, and Other Financial Products"

SIFMA believes that Federal legislative action is necessary to address the set of issues that we discuss further below in order to facilitate the smooth transition from LIBOR to alternative reference rates. In particular, there is a large stock of existing contracts and instruments that, as a practical matter, cannot be amended to utilize alternative rates.

SIFMA is supportive of Federal legislation aligned with recommendations from the Alternative Reference Rates Committee ("ARRC") to address these situations where contracts cannot be easily transitioned from LIBOR due to legal or regulatory reasons. We believe such legislation would benefit all market participants including LIBOR's end users, from investors to companies to consumers, and would provide four key benefits: (1) certainty of outcomes, (2) fairness and equality of outcomes, (3) avoidance of years of paralyzing litigation, and (4) preservation of liquidity and market resilience.

[Read the SIFMA Testimony.](#)