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SIFMA Statement on Senate Passage of LIBOR Legislation.

Washington, D.C., March 10, 2022 – SIFMA released the following statement from president and CEO Kenneth E. Bentsen, Jr., on the passage of the Adjustable Interest Rate (LIBOR) Act by the U.S. Senate:

“We commend the Senate’s bipartisan passage of the Adjustable Interest Rate (LIBOR) Act, sponsored by Senators Jon Tester (D-MT) and Thom Tillis (R-NC), with Chairman Brown (D-OH), Ranking Member Toomey (R-PA) and Representative Brad Sherman (D-CA).

“LIBOR will cease publication next year and there are currently trillions of dollars of existing contracts and instruments that, as a practical matter, cannot be amended to utilize an alternative rate. Federal legislation is necessary to facilitate a smooth transition to an alternative reference rate for these ‘tough legacy’ contracts. This legislation will benefit all market participants including LIBOR’s end users, who range from investors to companies to consumers.

“The legislation provides 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, and accordingly is supported not only by SIFMA, but also a range of other market participants, consumer groups, and regulators.

“We appreciate both the House and the Senate’s swift passage of this important bill and encourage the signing of this much-needed legislation into law.”