



**National
Consumer Law
Center**

*Fighting Together
for Economic Justice*

The LIBOR Is Ending

**WHAT CONSUMER
ADVOCATES SHOULD KNOW**

Andrew Pizor

National Consumer Law Center®

May 2023



**National
Consumer Law
Center**
*Fighting Together
for Economic Justice*

ABOUT THE NATIONAL CONSUMER LAW CENTER

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services; and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state governments and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness.

© Copyright 2023, National Consumer Law Center, Inc.
All rights reserved.

ABOUT THE AUTHOR

Andrew Pizor is a senior staff attorney in the National Consumer Law Center's Washington, D.C., office where he works on issues related to mortgage financing and defending homeowners from foreclosure. He is a contributing author to [Federal Deception Law](#), [Home Foreclosures](#), [Truth In Lending](#), and a co-author of [Mortgage Lending](#), [Mortgage Servicing and Loan Modifications](#), and [Consumer Credit Regulation](#). Andrew also serves as an expert witness on mortgage origination and servicing issues. He was previously an attorney at the Connecticut Fair Housing Center, the Consumer Law Group, LLC, and Legal Services Corp. of Delaware. He is a graduate of Georgetown University and Fordham University School of Law.

TABLE OF CONTENTS

1.	Introduction.....	4
1.	Background	4
2.	Wall Street’s response: The ARRC Recommends the SOFR	5
3.	Congress and Regulators Finally Act.....	7
3.1	Adjustable Interest Rate (LIBOR) Act	7
3.2	New Safe Harbor for Note Holders Adopting the SOFR.....	8
3.3	Consumer Rights Preserved.....	9
3.4	The Federal Reserve Board Issues Regulation ZZ to Implement the LIBOR Act	10
3.4.1	Overview	10
3.4.2	The Board-selected benchmark replacement for consumer loans	10
3.4.2.1	Summarized	10
3.4.2.2	A More Detailed Description	11
3.4.3	Benchmark Replacement Conforming Changes	12
3.4.4	The CFPB Amends Regulation Z.....	13
3.4.4.1	Overview	13
3.4.4.2	Open-end Credit.....	14
3.4.4.3	Closed-end Credit.....	15
4.	Practice Tips.....	16
5.	Further Reading and Resources	17
5.1	Where to Find the Rates.....	17
5.2	Industry LIBOR Home Pages.....	17
5.3	NCLC’s LIBOR Materials	17
5.4	Federal Agency Guidance	18
5.4.1	Joint Guidance and FFIEC	18
5.4.2	Federal Reserve Board.....	18
5.4.3	NCUA	18
5.4.4	OCC	18
5.4.5	FDIC.....	18
5.4.6	CFPB.....	18
5.4.7	Department of Education	18
5.4.8	Housing Agencies.....	19
5.5	New York Division of Financial Services	19
5.6	Consumer Oriented Materials	19
5.7	Further Reading.....	20
6.	End Notes.....	21

1. INTRODUCTION

The LIBOR is a benchmark index,¹ also known as a reference rate, that is commonly used in millions of adjustable rate mortgages, home equity lines of credit (HELOCs), and student loans. Although it is still widely used, the index will no longer be available in its current form after June 30, 2023 and will cease to exist entirely on September 30, 2024.² That means creditors and servicers will need to find and implement a replacement index for every contract still using the LIBOR at that time. This change should not require consumers to take any action. But they will be notified of the change, and they should be alert for potential errors.

This article describes issues facing consumers and industry in the United States as well as legislative and regulatory changes adopted to prepare for the end of the LIBOR.

1. BACKGROUND

The LIBOR (originally an acronym for London Interbank Offered Rate) was invented in the late 1960s as a way to price a risky, multi-bank loan to the nation of Iran.³ By the 1990s, it had spread across financial markets and was used to set rates on a diverse range of transactions, from simple home mortgages to Eurodollar futures and complex derivatives. The first residential mortgages using the LIBOR were issued around 1988.⁴

The LIBOR is intended to measure the rate that banks expect to pay in the future for unsecured loans of different durations. These durations are called the “tenor” or “term” and range from overnight to one year.⁵ The rate for each tenor is calculated by an administrator in London and is based on data submitted by a panel of contributing banks. But the number of actual transactions underlying those submissions is surprisingly small, especially given the tremendous number of transactions relying on the LIBOR. As a result, submissions are sometimes based on expert judgment, rather than actual transactions.⁶ For example, during one week in April 2018, at least three-fifths of U.S. Dollar LIBOR submissions were based on such judgement.⁷ This weakness, among others, contributed to a rate-fixing scandal in the first decade of the 2000s.⁸ Regulators demanded reforms,⁹ and a movement began to find something better.¹⁰

Nevertheless, the financial world was ill-prepared for the 2017 announcement¹¹ that the LIBOR could come to an end in 2021 (later extended to 2023¹²). While most adjustable-rate contracts include terms allowing the note holder to replace the index if it becomes unavailable, these terms—known as “fallback language”—were poorly drafted. Most fallback language provides minimal guidance on how to select a replacement index and instead gives broad, and in some cases unlimited, discretion to the note holder. In some contracts—such as closed-end home mortgages—the fallback language does not allow adjusting other relevant parts of the contract, such as the margin added to the index to obtain the applicable interest rate. And for some corporate contracts, the specified mechanism for replacing the index was entirely impractical.

These defects are important because there is no clear answer to the single biggest question raised by the end of the LIBOR: what to replace it with. There is no other index that offers a precise replacement in terms of value and movement. All possible alternatives are calculated

from different underlying components and, as a result, behave differently than the LIBOR. They are more or less volatile, have a higher or lower historical average value, behave differently under certain market conditions, or differ in some other notable way.

For borrowers, these differences would manifest themselves as loan payments that average higher or lower than they had been with the LIBOR. Payment amounts might also change more significantly and unpredictably. The differences also pose problems for investors. Lower payments for borrowers, higher default rates, or faster pre-payment rates (due to borrowers refinancing to get away from the replacement index) may mean less income for investors.

As a result, no matter which replacement index note holders choose, someone is going to be unhappy with the result. So, while the broad discretion given note holders was probably originally believed by drafters to be a benefit, the industry now recognizes that discretion to be a significant liability and source of litigation risk. And that risk is believed to be a major reason why note holders have been slow to announce a replacement index for their existing (also known as “legacy”) LIBOR contracts. Fannie Mae, Freddie Mac,¹³ and FHA¹⁴ have announced that they will require servicers to use the ARRC-recommended spread-adjusted SOFR (described in the next section).

Consumers face other risks too. A note holder or servicer might use the end of LIBOR as a chance to squeeze something extra out of consumers by making other contract changes under the guise of implementing the new index. There is also the risk of ministerial errors in the process of updating complex servicing platforms that are not designed to handle index replacements.

2. WALL STREET’S RESPONSE: THE ARRC RECOMMENDS THE SOFR

A few years after the rate fixing scandal, the New York Federal Reserve Bank (NY Fed), federal regulators, and members of the finance industry convened a group dubbed the Alternative Reference Rate Committee (ARRC) and charged it with developing recommendations for replacing the LIBOR.¹⁵ Ultimately, after many years of discussion, including consultation with NCLC and other consumer advocates, the ARRC recommended the Secured Overnight Financing Rate (SOFR) as its preferred alternative to the LIBOR in new contracts.¹⁶

The SOFR is considered a risk-free benchmark rate and “is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.”¹⁷ It is published by the NY Fed.¹⁸ It was selected for variety of technical reasons beyond the scope of this article. But the ARRC has summarized its reasons by emphasizing that the SOFR is “deep, broad, and diverse enough that it does not dry up in times of market stress; resilient even as markets evolve over time; and entirely transaction-based, so it cannot easily be manipulated.”¹⁹

There are many important differences between the SOFR and LIBOR as benchmarks, but, in practice, two are particularly relevant for consumer loans, especially legacy contracts. One is that, as a risk-free rate, the SOFR averages lower than the LIBOR. This is most relevant for existing LIBOR contracts that will need to switch to a new index, because it means the margin specified in the contract will be too low to maintain the note holder’s expected return. For example, if the last 6-month LIBOR value is 1.0% and the borrower’s note specifies a margin of

2.0%, the contract interest rate would be 3.0%. But if the 6-month SOFR value is 0.5%, switching to the SOFR would give the borrower a .5% rate decrease even if market rates remained constant.

Another difference is that the SOFR is an overnight rate, while the LIBOR has long been available as multiple forward term rates, such as the commonly used six-month and twelve-month LIBOR term rates.²⁰ Term SOFR rates are available, but they are not as robust as the overnight SOFR and have a shorter track record.²¹ The ARRC has addressed these issues in their recommendations, as discussed below.

Replacing LIBOR term rates in legacy contracts requires addressing both of these differences. Recognizing that an overnight or average rate may be inappropriate or too difficult to adopt for legacy contracts, and that the rates on consumer loans must be set in advance,²² the ARRC has recommended the SOFR term rates produced by a benchmark administrator appointed in May 2021.²³ The CME Group, which operates the Chicago Mercantile Exchange and other derivatives markets,²⁴ describes its SOFR rates as “provid[ing] an indication of the forward-looking measurement of overnight SOFR, based on market expectations implied from derivatives markets.”²⁵ The ARRC recommends CME’s one-, three-, six-, and twelve-month term rates as appropriate replacements for the equivalent term LIBOR rates in legacy contracts.²⁶ The Consumer Financial Protection Bureau (CFPB) has not yet added any reference to the twelve-month SOFR to Regulation Z.²⁷ The Bureau’s amendments to Regulation Z are discussed in § 3.4.4, *infra*.

To address the difference in value between the LIBOR and SOFR, the ARRC has further recommended—and Congress has codified (as explained in the next section)—a series of tenor spread adjustments.²⁸ These are to be added to the SOFR term rate, resulting in what is known as a spread-adjusted SOFR. The spread-adjusted term SOFR rates will be as close to an exact replacement for the outgoing LIBOR term rates as will be possible. They will be published by another administrator, Refinitiv, which describes them as “seek[ing] to be commercially substantially equivalent to USD LIBOR by capturing both a risk-free rate, which is measured by different forms of Secured Overnight Financing Rate (SOFR), plus a fixed spread adjustment that measures the average difference between USD LIBOR and SOFR.”²⁹

The spread-adjusted SOFR is most relevant to closed-end consumer mortgages. While creditors for most open-end contracts already have authority—by contract or regulation—to adjust the margin when changing the index, there is no way to change the margin in the typical closed-end mortgage contract.

For new contracts, the ARRC recommends using an average of the overnight SOFR. For example, for mortgages, the ARRC recommends the 30- or 90-day average SOFR with a six-month reset period, instead of the currently common one-year LIBOR.³⁰ Both Freddie Mac and Fannie Mae have followed this advice, adopting the 30-day Average SOFR for their new uniform six-month ARM notes.³¹ That means ARMs adjusting every six-months will become the standard, replacing the twelve-month ARM.

NCLC and other consumer advocates agree with the ARRC’s recommendations and support use of the SOFR.³² A more detailed explanation of what the SOFR is and of why it is the best replacement is beyond the scope of this article, but more information is available from the NY Fed’s website.³³ The CFPB’s position regarding the SOFR is explained a Federal Register notice announcing changes to Regulation Z that address the end of LIBOR.³⁴

For reference, these are the ARRC recommendations most relevant to consumer loans:

June 22, 2017: the ARRC announced “a broad Treasuries repo financing rate, which the Federal Reserve Bank of New York has proposed publishing”³⁵

July 29, 2021: the ARRC formally recommended the CME Group’s SOFR term rates.³⁶

October 6, 2021: the ARRC issue a summary of its recommendations for using the spread-adjusted rates.³⁷

On May 19, 2022: the ARRC updated its prior endorsement of the CME term rates by recommending the twelve-month SOFR term rate for use in legacy LIBOR contracts.³⁸

3. CONGRESS AND REGULATORS FINALLY ACT

After several years of hoping industry would handle the LIBOR transition without government involvement, it eventually became apparent that government intervention was needed. As a result, federal regulators finally began to issue guidance regarding the LIBOR transition,³⁹ and multiple states passed legislation to address so-called “tough legacy” contracts.⁴⁰ Eventually, in 2022, Congress passed widely supported legislation addressing the transition, preempting all related state laws.⁴¹ While most of the new measures only affect corporate contracts, there are three that will affect consumers:

The federal Adjustable Interest Rate (LIBOR) Act;⁴²

The Federal Reserve Board’s Regulation ZZ, implementing the LIBOR Act;⁴³ and

The Consumer Financial Protection Bureau’s LIBOR amendments to the Truth in Lending Act’s Regulation Z.⁴⁴

The Department of Housing and Urban Development’s decision to replace the LIBOR with the spread-adjusted SOFR for existing HECMs and forward mortgages.⁴⁵

All of these measures are described below.

3.1 ADJUSTABLE INTEREST RATE (LIBOR) ACT

On March 15, 2022, the President signed the Adjustable Interest Rate (LIBOR) Act (hereinafter “LIBOR Act”) into law, as part of the 2022 Consolidated Appropriations Act.⁴⁶ The LIBOR Act addresses many issues related to the end of the LIBOR. But for consumers, the most relevant one is a safe harbor for note holders⁴⁷ that adopt the ARRC-recommended SOFR as a replacement index.

The Act effectively declares the close of business on Friday, June 30, 2023 as the end of the LIBOR. It does so by declaring that the replacement indices will be used beginning on the “LIBOR Replacement Date.”⁴⁸ This is defined as “the first London banking day after June 30, 2023”⁴⁹ In other words, Monday, July 3, 2023, barring unforeseen events.⁵⁰

The law also makes changes to the Higher Education Act of 1965.⁵¹ The HEA changes address how the end of the LIBOR will affect the calculation of special allowance payments to companies making certain student loans. Current student borrowers will not see much impact from this change, so that topic is beyond the scope of this article. But additional, albeit somewhat dated, background information is available in white papers from the Structured

Finance Association and the Government Accountability Office.⁵² The Department of Education has also issued a “Dear Colleague” letter to industry, describing the change.⁵³

3.2 NEW SAFE HARBOR FOR NOTE HOLDERS ADOPTING THE SOFR

Section 105 (12 U.S.C. § 5804) of the LIBOR Act creates a safe harbor that broadly eliminates any liability for choosing or implementing the spread-adjusted SOFR as a replacement index. But nothing in the Act requires a decisionmaker to adopt the SOFR. While there are provisions mandating use of the SOFR in contracts that do not authorize a replacement for the LIBOR, a consumer loan lacking such language would be extremely unusual.

When reading the Act, it is important to remember that the ARRC’s recommendations are *voluntary*. Consumer advocates encouraged Congress to mandate the SOFR as a replacement index.⁵⁴ But supporters of other benchmark indices opposed that approach.⁵⁵ As a result, the LIBOR Act preserves the note holder’s right to choose any replacement index⁵⁶ and, instead, creates a safe harbor as an incentive to use the SOFR.

The safe harbor has many features designed to account for the varying terms in legacy contracts. But, when applied to consumer loans, it is fairly narrow. In summary, the safe harbor declares that the spread-adjusted SOFR is an acceptable replacement under the most common variations of fallback language and declares that nobody may be sued for the selection or use of the SOFR as a replacement index. It also forbids suit for implementing so-called “conforming changes,” which are other contract changes needed to make the SOFR fit into a contract. For consumer loans,⁵⁷ the Act requires the Federal Reserve Board to issue rules setting forth what conforming changes will be covered by the safe harbor.⁵⁸ The Board issued those rules on December 16, 2022,⁵⁹ and they are described below. For non-consumer contracts, the safe harbor also covers “the determination” of what conforming changes are needed.

More specifically, the safe harbor deems—

- a replacement index based on the SOFR;
- “the selection or use of” such an index; and
- “any benchmark replacement conforming changes”

to be—

- “a commercially reasonable replacement for and a commercially substantial equivalent to LIBOR;”
- “a reasonable, comparable, or analogous rate, index, or term for LIBOR;”
- “a replacement that is based on a methodology or information that is similar or comparable to LIBOR;”
- “substantial performance by any person of any right or obligation relating to or based on LIBOR; and”
- “a replacement that has historical fluctuations that are substantially similar to those of LIBOR for purposes of the Truth in Lending Act”⁶⁰

They are deemed to not:

- discharge or excuse performance under any LIBOR contract;

constitute force majeure; or
constitute a breach or void any LIBOR contract.⁶¹

Most significantly—

No person shall be subject to any claim or cause of action in law or equity or request for equitable relief, or have liability for damages, arising out of—

- (1) the selection or use of a Board-selected benchmark replacement;
- (2) the implementation of benchmark replacement conforming changes; or
- (3) with respect to a LIBOR contract that is not a consumer loan, the determination of benchmark replacement conforming changes⁶²

The term “benchmark replacement conforming changes” has two definitions. For consumer contracts, they are “any technical, administrative, or operational changes, alterations, or modifications” that the Board determines will affect the “implementation, administration, and calculation of the Board-selected benchmark replacement in LIBOR contracts”⁶³ For non-consumer contracts, a private actor, such as a servicer, will make that determination “after giving due consideration to” changes identified by the Board.⁶⁴

The Board has only approved a few conforming changes for consumer contracts. They are described in § 3.4.3, *infra*.

Although the Act is based on the ARRC’s recommendations, its reference to the SOFR is byzantine. The Act instead uses the defined term Board-selected benchmark replacement—“a benchmark replacement identified by the [Federal Reserve] Board that is based on SOFR, including any tenor spread adjustment pursuant to section 104(e).”⁶⁵ Subsection (e) then directs the Board to “adjust the Board-selected benchmark replacement for each category of LIBOR contract that the Board may identify to include the relevant tenor spread adjustment.” The term “tenor spread adjustment” is defined with a list of specific percentage values ranging from 0.00644 percent for the overnight LIBOR to 0.71513 percent for the twelve-month LIBOR.⁶⁶ This is explained in plain English in § 3.4.2.1, *infra*, below.

Because the Act requires the tenor adjustments to be added to the last LIBOR values available,⁶⁷ there will be no official value for the spread-adjusted rate until June 29, 2023.⁶⁸ In the meantime, indicative rates⁶⁹ are available from the benchmark administrator.⁷⁰ The indicative rates use the historical average difference between the SOFR and LIBOR, rather than the tenor spread adjustments specified in the LIBOR Act.⁷¹ So they only provide a rough estimate of what the spread-adjusted SOFR value would be. The official SOFR values will eventually be published on a freely accessible website.⁷² The 30-, 90-, and 180-day SOFR averages that the ARRC recommends for new contracts are available for free on the NY Fed’s website.⁷³ This is an improvement over the LIBOR, which usually requires a subscription to the Wall Street Journal.

3.3 CONSUMER RIGHTS PRESERVED

The Act clearly preserves consumer protections in a number of ways. Note holders will not be permitted to change a consumer’s rights or the cost of a contract under the guise of making “conforming changes” or by picking an inappropriate replacement index. Consumers will retain

the right to sue if harmed by those actions or for corrections and damages needed when a servicer makes mistakes.

Section 104(f)(6) (12 U.S.C. § 5803(f)(6)) broadly preserves “the rights or obligations of any person, or the authorities of any agency, under Federal consumer financial law,”⁷⁴ with the notable exception of the safe harbor in section 105(c) (12 U.S.C. § 5804(c)). Another paragraph more specifically preserves Federal consumer financial laws requiring creditors to send change-in-terms notices to borrowers and regarding the re-evaluation of credit card rate increases.⁷⁵

The Act also states that it does not affect “any cap, floor, modifier, or spread adjustment to which LIBOR had been subject” under existing contract language.⁷⁶ The term “spread adjustment” likely refers to the margin used to calculate the rate on adjustable-rate contracts. This paragraph should be interpreted to mean the listed contract terms cannot be changed when implementing the SOFR unless changes are specifically authorized elsewhere—such as by the contract at issue, another law or regulation. The “conforming changes” identified by the Federal Reserve Board in Regulation ZZ are particularly relevant here.

3.4 THE FEDERAL RESERVE BOARD ISSUES REGULATION ZZ TO IMPLEMENT THE LIBOR ACT

3.4.1 OVERVIEW

In December 2022, as directed by the LIBOR Act, the Federal Reserve Board issued new regulations to implement the Act. Called Regulation ZZ, the new rule will be effective 30 days after it is published in the Federal Register. Regulation ZZ formally identifies the SOFR-based LIBOR replacements to be used in contracts lacking fallback language and that will qualify for the safe harbor. It also describes the conforming changes to consumer contracts that will qualify for the safe harbor. Like the LIBOR Act, the regulation clearly preempts any state laws regarding replacement of the LIBOR. This paper only addresses aspects of the rule that affect consumer contracts.

3.4.2 THE BOARD-SELECTED BENCHMARK REPLACEMENT FOR CONSUMER LOANS

3.4.2.1 SUMMARIZED

When Regulation ZZ takes effect, the Board-selected replacement for consumer LIBOR loans will be based on the SOFR, calculated as a SOFR index value plus a spread adjustment.⁷⁷ The relevant indices to use are as follows:

for the *Overnight LIBOR*:⁷⁸ the SOFR (which is, itself, an overnight value);

for the *one-month LIBOR*: the one-month CME Term SOFR;

for the *three-month LIBOR*: the three-month CME Term SOFR;

for the *six-month LIBOR*: the six-month CME Term SOFR; and

for the *twelve-month LIBOR*: the twelve-month CME Term SOFR.

The *actual* number to be used in consumer loans (the SOFR index plus the spread adjustment) will be published by the benchmark administrator (Refinitiv) under the name “USD IBOR Cash Fallbacks for Consumer products.”⁷⁹ The link is below, in section 5.

3.4.2.2 A MORE DETAILED DESCRIPTION

While the regulation designates the same replacement benchmark for consumer loans as the Act, the Board’s description provides greater detail. The most notable and complex aspect of the replacement benchmark is the fact that the spread adjustment value will change over time. Beginning on the benchmark replacement date, there will be a one-year transition period during which the spread adjustments are phased in, to avoid the risk of unexpected jumps in rates on or immediately following the LIBOR replacement date.⁸⁰ After that one-year period, the spread adjustments will be fixed at the numbers stated in the Act and the regulation.

During the one-year transition period, the replacement indices will use the same SOFR index listed above, but the spread adjustment will change each business day. The initial value for the transitional adjustment will be “the difference between the relevant CME Term SOFR and the relevant LIBOR tenor determined as of the day immediately before the LIBOR replacement date.”⁸¹ That is determined as follows:

- 1) Look up the value of the LIBOR index specified in the consumer’s contract (e.g. the six-month LIBOR) as of the day immediately before the LIBOR replacement date (probably July 2, 2023);⁸²
- 2) Look up the equivalent value for the Board-selected benchmark replacement (e.g. the six-month CME Term SOFR) as of the same day;
- 3) Subtract the Board-selected benchmark replacement from the LIBOR index.

The result is the initial tenor spread adjustment to use on July 3, 2023. Refinitiv will be taking the extra precaution of calculating the initial value by using the average over a two-week look-back period, thereby further reducing the risk of market forces producing strange values as the LIBOR comes to an end.

Beginning the next day through July 2, 2024, the adjustment value will be “an amount that transitions linearly for each business day during that period” from the July 3rd value to the fixed value stated in the Act and Regulation ZZ.⁸³ That means the adjustment will gradually change from the July 3rd value to the value fixed by the Act. The adjustment could be positive or negative depending on the final LIBOR value. But, unless the markets go haywire, the values should be very similar to those listed in the Act.

Calculating the spread adjustment for any business day during the first year will require understanding linear interpolation—a topic well beyond the scope of this paper. But for those interested, Refinitiv describes its methodology in a paper available on its website,⁸⁴ and one of the industry associations most impacted by the LIBOR transition, the International Swaps and Derivatives Association (ISDA), provides a detailed description of linear interpolation with an Excel spreadsheet on its website.⁸⁵

Fortunately, recognizing the complexity of calculating the transitional spread adjustment value, Regulation ZZ deems using the rates published by Refinitiv to be sufficient to comply with the rule.⁸⁶

At the end of the transitional year, the spread adjustment values will have reached the numbers stated in the Act and will permanently remain there. At that point, the benchmark replacement indices and their spread adjustments, will be as follows:

for the *Overnight LIBOR*: the SOFR plus 0.00644 percentage points;

for the *one-month LIBOR*: the one-month CME Term SOFR plus 0.11448 percentage points;

for the *three-month LIBOR*: the three-month CME Term SOFR plus 0.26161 percentage points;

for the *six-month LIBOR*: the six-month CME Term SOFR plus 0.42826 percentage points; and

for the *twelve-month LIBOR*: the twelve-month CME Term SOFR plus 0.71513 percentage points.

Any consumer LIBOR loans still outstanding at that point will continue to use these indices until maturity.

3.4.3 BENCHMARK REPLACEMENT CONFORMING CHANGES

The release of Regulation ZZ is also important because it finalizes the benchmark replacement conforming changes that qualify for the safe harbor. As explained in § 3.4.33.4.2, *supra*, benchmark replacement conforming changes are changes to the contract terms that are need to operationalize the replacement index. Congress declared that making such changes will be protected by the safe harbor and delegated identifying them to the Federal Reserve.⁸⁷

Section 253.5 lists the following conforming changes:

References to specific sources for the LIBOR index, such as in old Fannie Mae instruments referring to “as published in The Wall Street Journal,” shall be replaced with either the relevant new benchmark administrator or an authorized third party. (For most consumer contracts, this will be Refinitiv or someone it authorizes to publish the data.)

References to a particular time of day for determining LIBOR are to be replaced with the standard publication time for the applicable Board-selected benchmark replacement.

LIBOR contract terms that require using a combination (such as an average) of LIBOR values over a period of time spanning the LIBOR replacement date shall be changed to say the calculation will be made using the LIBOR for dates prior to the replacement and the new benchmark afterwards.

If the Board-selected benchmark is not available on the date used by a LIBOR contract, the most recently published version shall be used.

The regulation also reserves the Board’s authority to add other conforming changes if necessary. But these changes should be adequate to cover all consumer loan contracts that we are aware of.

3.4.4 THE CFPB AMENDS REGULATION Z

3.4.4.1 OVERVIEW

Another major legal development in the transition away from the LIBOR are the CFPB's new rules amending Regulation Z (12 C.F.R. Part 1026). The Truth in Lending Act is the primary federal statute regulating consumer credit in the United States, and it is implemented through Regulation Z. In December 2021, the Bureau issued a final rule amending Regulation Z to account for the end of the LIBOR,⁸⁸ followed by an April 2023 interim final rule making further adjustments.⁸⁹

The primary changes made are:

- authorizing open-end creditors to replace the LIBOR before June 30, 2023;⁹⁰
- addressing complications of the transition related to rate change notices and the re-evaluation of rate increases for credit cards;
- officially stating that the SOFR and Prime Rate are acceptable replacements for the LIBOR,⁹¹ and providing guidance on selecting other indices;
- extensive new commentary related to these issues; and
- replacing the word “LIBOR” with “SOFR” throughout the rule, model forms, and commentary.

Before the recent amendment, Regulation Z already envisioned some changes related to replacing a defunct index in adjustable-rate contracts. In the pre-amendment version of the rule, section 1026.40(f)(3) prohibited changing most contract terms in a HELOC, but allowed creditors to change the index and margin if the original index was no longer available.⁹² And the commentary to section 1026.20, regarding post-consummation disclosures, said replacing the index is not considered refinancing a transaction and does not require the creditor to re-issue the disclosures required when consummating a refinancing.⁹³ Both provisions remain the same but have been expanded upon. The rules for credit cards did not have any equivalent provisions and many other questions were left unanswered. Both omissions have been addressed in the amended rule.

As amended, creditors are clearly authorized to replace the LIBOR in all forms of open-end credit. The authorization for closed-end credit remains somewhat oblique,⁹⁴ but the gist of the regulation and commentary make clear that replacement is permitted if the contract at issue authorizes such a change. (And we are unaware of any consumer mortgages that do not authorize such change.) As amended, a replacement index used in open-end credit must meet several criteria:

- It must have historical fluctuations substantially similar to that of the original index. This does not apply to new indices lacking a rate history.⁹⁵
- The replacement index plus the replacement margin must result in an annual percentage rate substantially similar to the rate in effect at the time the original index became unavailable.⁹⁶

For HELOCs and closed-end mortgages, the amendment states that additional factors may be relevant depending on which LIBOR tenor and which replacement index are being considered.

Examples include whether:⁹⁷

- the replacement index is a backward-looking rate (e.g., historical average of rates) such that timing aspects of the data may need to be adjusted to match up with the particular forward-looking LIBOR term-rate being replaced;
- the movements over time are comparable;
- the consumers' payments using the replacement index compared to payments using the LIBOR index are comparable if there is sufficient data for this analysis;
- the index levels are comparable;
- the replacement index is publicly available; and
- the replacement index is outside the control of the creditor.⁹⁸

The rule does not define “substantially similar” or “comparable.”

3.4.4.2 OPEN-END CREDIT

For credit cards and open-end credit plans secured by the consumer's dwelling (i.e., HELOCs) that use the LIBOR, the amendment allows creditors to replace both the index and the margin on or after April 1, 2022.⁹⁹ This is important because, without this change, creditors would be required to wait until the actual end of the LIBOR triggered the contractual and older regulatory authority to replace the index. With the amendment, creditors can phase-in the change across their product line and will have more control over the transition timing. Even if creditors choose to wait until June 2023, this rule change will allow them to notify consumers in advance.

The ability to change the *margin* is important because it allows open-end creditors to compensate for the difference between the average historical value of the LIBOR and the replacement index. In the language of the amended rule, the resulting new interest rate should be “substantially similar” to the last rate under the LIBOR. Unfortunately, there is no definition of “substantially similar” in TILA, Regulation Z, or elsewhere. If the creditor adopts the spread-adjusted SOFR (in order to get the safe harbor), however, there will be no reason to change the margin.

When evaluating whether the sum of the replacement index plus the replacement margin are substantially similar to the result of the LIBOR plus the old margin, creditors are to use the index values in effect on October 18, 2021 as the comparison point. However, if the creditor replaces the LIBOR with the spread-adjusted SOFR index recommended by the ARRC, the comparison point is the index value on June 30, 2023, for the LIBOR, and value of the SOFR on the first date it is published.¹⁰⁰

According to the Official Interpretations in the final rule, the Bureau has determined that the Prime Rate published in the Wall Street Journal has historical fluctuations that are substantially similar to the one-month and three-month LIBOR, and that the ARRC-recommended spread-adjusted SOFR indices have historical fluctuations that are substantially similar to those of the one-month, three-month, and six-month LIBOR indices they are intended to replace.¹⁰¹ The Bureau decided against including references to the one-year USD LIBOR and its replacement in various comments until it obtains additional information.¹⁰²

Creditors are allowed to replace the LIBOR with a suitable new index even if it results in an interest-rate increase.¹⁰³ This may be the case with the spread-adjusted SOFR (assuming the margin is not changed to compensate). But there should be no initial increase for open-end credit if another replacement index is used because a new margin can be calculated to achieve the same total rate (new index + new margin) as before the replacement. Therefore, there would be no justification for an increase. This is illustrated in new commentary to section 1026.40(f), regarding HELOCs. There, the Bureau includes an example: Assume that when the LIBOR becomes unavailable, the LIBOR value for a HELOC is 2% and the contract specifies a margin of 10%. If the creditor selects the Wall Street Journal prime index as a replacement, and its value is 5% at that time, the creditor would need to select a new margin of 7% to satisfy the requirement to produce a substantially similar annual percentage rate.¹⁰⁴ The new margin would be permanently fixed.

While open-end creditors are allowed to change the index before June 2023, creditors opting to use the spread-adjusted SOFR will—as a practical matter—not be able to do so before then. That is because the official spread-adjusted rates will not be available until then, as explained above, in the section on the LIBOR Act. Creditors can, and should, still notify consumers in advance that the index and rate will be changed. But the unavailability of the official rate creates a problem: how can they notify consumers of the new rate when they don't know what it is?

The amended commentary addresses this by adding an exception to the rate disclosure requirement for HELOC creditors. When notifying consumers of the index and rate change, they will be allowed to make the disclosure “based on the best information reasonably available, clearly stating that the disclosure is an estimate.”¹⁰⁵ They will probably use an indicative rate based on the latest SOFR rate plus the codified tenor spread, as explained above.

When replacing the LIBOR, the creditor must notify the consumer of the new index and margin, regardless of whether the change increases or decreases the APR (or leaves it unchanged).¹⁰⁶ This is an exception to the usual rule that changes resulting in a decrease in cost do not require notice.¹⁰⁷ Strangely, this exception is limited to replacing the LIBOR. It does not apply to replacing any other index.

Another amendment addresses the re-evaluation of credit card interest rate increases. Normally, when a card issuer increases a consumer's interest rate, the issuer generally must re-evaluate the rate increase every six months until the rate is reduced by a certain degree. As amended, effective April, 1 2022, and only for LIBOR contracts, if the card issuer previously raised the APR, the issuer will no longer be required to review factors involved in the increase if the new APR under the new index and margin is less than it was based on the old LIBOR formula. The old and new values are to be compared as of October 18, 2021. The amended rule is less than clear but the commentary is very helpful.¹⁰⁸ The issuer also will not be required to conduct a re-evaluation if the increase is due to the transition from LIBOR to a new index and the new index meets the “substantially similar” requirements described above.¹⁰⁹

3.4.4.3 CLOSED-END CREDIT

One important question for closed-end credit (primarily mortgages) is whether replacing the index will constitute refinancing the transaction. If so, the creditor must re-disclose the

information provided at consummation. The existing commentary regarding disclosure after post-consummation events already states that replacing an index is not the addition of a variable rate feature that would trigger the duty to make new disclosures. The amendments add an example specifically stating that replacing the LIBOR with the spread-adjusted SOFR is not a refinancing because the replacement index is comparable to the old index.¹¹⁰ Unstated but apparent is that a creditor *will* have to issue new disclosures if using a replacement index that is not comparable to the LIBOR being replaced. Failure to do so will violate TILA.

4. PRACTICE TIPS

Most major creditors are expected to notify consumers that the LIBOR change is coming. But they are not required to give consumers any say in the replacement of the LIBOR or any of the related changes. Loans guaranteed or insured by one of the GSEs or FHA are required to switch to the SOFR. Consumers should, nevertheless, read all correspondence from their creditor and monitor their monthly statements for any problems. If a creditor chooses a replacement that complies with the criteria described above, a consumer's only choice will be to continue making payments on the contract or to close the account (such as by refinancing). But, if the monthly payments appear to change radically or if there are any other problems related to the transition, the consumer may have a cause of action.

It is possible that some creditors will fail to replace the LIBOR after June 2023. In light of that risk, the British regulator overseeing the LIBOR has ordered the LIBOR administrator to publish a 1-, 3- and 6-month "synthetic" LIBOR index until September 30, 2024.¹¹¹ The synthetic LIBOR will have the LIBOR name, but the value will be calculated using the CME Term SOFR rate plus the spread adjustments described above. So there should not be any harm to borrowers—at least until September 2024.

Any borrower with a loan that continues to use the LIBOR after June 2023 should file a complaint with the CFPB,¹¹² and send a Notice of Error to their servicer.

Otherwise, the first step in evaluating any potential claim will be to determine whether the creditor adopted the appropriate Prime Rate or SOFR as a replacement. If not, the consumer may have a claim for violation of TILA and breach of contract. Otherwise, the newly enacted safe harbor may preclude claims based solely on the choice of index. The Federal Reserve Board rule on benchmark replacement conforming changes lists other changes covered by the safe harbor. If a change is not covered by the safe harbor, it will be necessary to analyze the degree of harm and whether it is still permitted under the general guidelines provided in the contract and Regulation Z.

The safe harbor does not affect claims related to servicer errors. Consumers should contact their loan servicer (in writing) about any errors. The Real Estate Settlement Procedures Act and Regulation X has procedures for addressing errors. These are discussed in section 3.3 of NCLC's *Mortgage Servicing and Loan Modifications*.¹¹³ In particular, it is important to use the address for errors specified on the consumer's statement.¹¹⁴ Open-end consumers should follow the error correction procedures in the Fair Credit Billing Act, as described in section 7.9 of NCLC's *Truth in Lending*.¹¹⁵

5. FURTHER READING AND RESOURCES

5.1 WHERE TO FIND THE RATES

Rates for *new* contracts using a term SOFR rate as the index. These rates do not include any spread adjustment:

- WSJ Prime Rate and LIBOR, <https://www.wsj.com/market-data/bonds>
- Term SOFR values (CME), <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html>

Recommended replacement rates for *legacy* contracts. Until June 30, 2023, these values will only be indicative rates—not the official rates.

- Spread-adjusted term SOFR values (Refinitiv), <https://www.refinitiv.com/en/financial-data/financial-benchmarks/usd-ibor-cash-fallbacks>

5.2 INDUSTRY LIBOR HOME PAGES

Alternative Reference Rate Committee home page, <https://www.newyorkfed.org/arrc>

ARRC, An Updated User's Guide to SOFR (Feb. 2021), <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/users-guide-to-sofr2021-update.pdf>

ICE Benchmark Administration's LIBOR resource page, <https://www.theice.com/iba/libor>

UK Financial Conduct Authority (ICE's regulator) LIBOR transition page, <https://www.fca.org.uk/markets/libor>

Mortgage Bankers Association LIBOR resources, <https://www.mba.org/advocacy-and-policy/commercial/multifamily/policy-issues/libor-transition>

Refinitiv's LIBOR transition page for Refinitiv USD IBOR Cash Fallbacks, <https://www.refinitiv.com/en/financial-data/financial-benchmarks/usd-ibor-cash-fallbacks>

5.3 NCLC'S LIBOR MATERIALS

[Group Letter](#) supporting the Economic Continuity and Stability Act, March 2, 2022

[Comments](#) to HUD regarding its proposed rulemaking to address the end of LIBOR for FHA forward mortgages and reverse mortgages (HECMs)

[Testimony](#) of Andrew Pizor on Protecting Consumers and Investors during the LIBOR Transition, November 2, 2021, and [follow-Up Questions](#)

Issue Brief: [The End of Libor: Risk and Solutions for Residential Mortgages](#), February 2020

[Group comments](#) to the Alternative Reference Rates Committee recommending stronger action to prepare for the end of the LIBOR index, May 29, 2020

[NCLC comments](#) to CFPB on facilitating the LIBOR transition by amending Regulation Z, Aug. 4, 2020

5.4 FEDERAL AGENCY GUIDANCE

(where an agency has centralized its LIBOR-related guidance, only that page is provided)

5.4.1 JOINT GUIDANCE AND FFIEC

LIBOR Transition: Joint Statement on Managing the LIBOR Transition (OCC Bulletin 2021-48, FRB SR 21-17, 21-CU-10, FIL-70-2021) (Oct. 20, 2021)

FFIEC, Joint Statement on Managing the LIBOR Transition (OCC Bulletin 2020-68, FRB SR 20-17, FDIC FIL-68-2020) (July 1, 2020), <https://www.ffiec.gov/press/pr070120.htm>

FDIC, FRB, OCC, Interagency Statement on Reference Rates for Loans (FRB SR 20-25, OCC Bulletin 2020-98, FIL-104-2020) (Nov. 6, 2020)

FDIC, FRB, OCC, Statement on LIBOR Transition (FDIC PR-129-2020, OCC Bulletin 2020-104, FRB SR 20-27) (Nov. 30, 2020)

5.4.2 FEDERAL RESERVE BOARD

LIBOR transition compilation, <https://www.federalreserve.gov/supervisionreg/libor-transition.htm>

5.4.3 NCUA

NCUA, Evaluating LIBOR Transition Plans (SL No. 21-01, May 2021)

NCUA, 2020 Supervisory Priorities (20-CU-01, Jan. 2020)

5.4.4 OCC

OCC Semiannual Risk Perspective at 17 (Fall 2019)

OCC Semiannual Risk Perspective at 5 (Fall 2018)

OCC, LIBOR Transition: Updated Self-Assessment Tool for Banks (OCC Bulletin 2021-46, Oct. 18, 2021)

5.4.5 FDIC

FDIC Banker Resource Center, London Interbank Offered Rate (LIBOR) Transition, <https://www.fdic.gov/resources/bankers/libor/>

5.4.6 CFPB

LIBOR Index Transition resources, <https://www.consumerfinance.gov/compliance/compliance-resources/other-applicable-requirements/libor-index-transition/>

5.4.7 DEPARTMENT OF EDUCATION

Dear Colleague Letter, Replacement of London Interbank Offered Rate (LIBOR) Based Special Allowance Payment (SAP) with Secured Overnight Financing Rate (SOFR) Under the Adjustable Interest Rate (LIBOR) Act (GEN-22-12) (Aug. 9, 2022)

5.4.8 HOUSING AGENCIES

FHFA, <https://www.fhfa.gov/SupervisionRegulation/LIBORTransition>

Fannie Mae, <https://capitalmarkets.fanniemae.com/libor-transition>

Freddie Mac, <https://mf.freddiemac.com/libor/>

Ginnie Mae:

- LIBOR Transition Reference Guide, https://www.ginniemae.gov/newsroom/publications/Documents/LIBOR_Transition_Reference_Guide.pdf
- Press Release, Ginnie Mae Shares Further Details on the LIBOR Transition of LIBOR Classes of Ginnie Mae Multiclass Securities (May 1, 2023), <https://www.ginniemae.gov/newsroom/Pages/PressReleaseDispPage.aspx?ParamID=278>

VA, Index for Adjustable-Rate Mortgage (ARM) (Circular 26-20-20, June 1, 2020)

HUD/FHA:

- Adjustable Rate Mortgages: Transitioning From LIBOR to Alternate Indices, 86 Fed. Reg. 54876 (Oct. 5, 2021) (advance notice of proposed rulemaking)
- Adjustable Rate Mortgages: Transitioning From LIBOR to Alternate Indices, 87 Fed. Reg. 63,458 (Oct. 19, 2022) (notice of proposed rulemaking)
- Adjustable Rate Mortgages: Transitioning From LIBOR to Alternate Indices, 88 Fed. Reg. 12,822 (Mar. 1, 2023, eff. Mar. 31, 2023) (final rule).
- 30-Day Notice of Proposed Information Collection: Home Equity Conversion Mortgage (HECM) Insurance Application for the Origination of Reverse Mortgages and Related Documents, 86 Fed. Reg. 6915 (Jan. 25, 2021) (requesting OMB approval of new forms including revised model HECM Adjustable Rate Note "to align with FHA's transition from the [LIBOR] index to the [SOFR] index")
- Mortgagee Letter 2023-09 (May 2, 2023) (New Secretary-Approved Interest Rate Indices and Requirements for Transitioning from the London Interbank Offered Rate (LIBOR) Index)

5.5 NEW YORK DIVISION OF FINANCIAL SERVICES

Industry Letter: Request for Assurance of Preparedness for LIBOR Transition (Dec. 23, 2019)

5.6 CONSUMER ORIENTED MATERIALS

CFPB Blog: Adjustable-rate loans are changing, because a widely-used interest rate index expires in June (Apr. 28, 2023), <https://www.consumerfinance.gov/about-us/blog/adjustable-rate-loans-are-changing-widely-used-interest-rate-index-expires-in-june/>

CFPB Blog: The LIBOR index for adjustable-rate loans is being discontinued: here's what to watch for (Dec. 7, 2021), <https://www.consumerfinance.gov/about-us/blog/the-libor-index-for-adjustable-rate-loans-is-being-discontinued-heres-what-to-watch-for/>

CFPB Blog: You might have heard that LIBOR is going away. Here's what you need to

know about LIBOR and adjustable-rate loans (Oct. 17, 2019), <https://www.consumerfinance.gov/about-us/blog/libor-going-away-heres-what-you-need-know-about-libor-and-adjustable-rate-loans/>

Investor.gov, Securities & Exchange Commission Investor Bulletin: What You Need to Know About the End of LIBOR (May 1, 2023), <https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins/what-you-0>

5.7 FURTHER READING

Congressional Research Service, The LIBOR Transition, Rpt. No. IF11315 (updated March 21, 2022), <https://crsreports.congress.gov/product/details?prodcode=IF11315>

David Hou and David Skeie, LIBOR: Origins, Economics, Crisis, Scandal, and Reform, Federal Reserve Bank of New York Staff Report No. 667 (March 2014), https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr667.pdf

Jacob Rank-Broadley, Refinitiv, Transitioning from LIBOR: Explaining the cash fallback rates (Aug. 11, 2021), available at <https://www.refinitiv.com/perspectives/future-of-investing-trading/transitioning-from-libor-explaining-the-cash-fallback-rates/>

6. END NOTES

¹ Actually, it's a group of indices—there were 35 individual LIBOR rates until December 2021—but most people just refer to “the LIBOR” unless they need to be more specific. See ICE Benchmark Admin., LIBOR: Introduction, available at <https://web.archive.org/web/20220423214257/https://www.theice.com/lba/libor> (archived Apr. 23, 2022).

² U.K. Fin. Conduct Auth., FCA announces decision on synthetic US dollar LIBOR (Mar. 4, 2023), available at <https://www.fca.org.uk/news/news-stories/fca-announces-decision-synthetic-us-dollar-libor> (announcing decision to require LIBOR's administrator to continue publication of “synthetic” 1-, 3- and 6-month US dollar LIBOR settings until September 2024); U.K. Fin. Conduct Auth., FCA announcement on future cessation and loss of representativeness of the LIBOR benchmarks, at ¶¶ 3, 8 (Mar. 5, 2021), available at <https://www.fca.org.uk/publication/documents/future-cessation-loss-representativeness-libor-benchmarks.pdf> (announcing publication of overnight and 12-month US dollar LIBOR will cease after June 30, 2023 and the 1-month, 3-month and 6-month US dollar LIBORs will no longer be representative).

³ 86 Fed. Reg. 69,716, 69,718 (Dec. 8, 2021); Gavin Finch & Liam Vaughan, *The Man Who Invented the World's Most Important Number*, Bloomberg Markets (Nov. 29, 2016), available at <https://www.bloomberg.com/news/features/2016-11-29/the-man-who-invented-libor-iw3fpmcd>.

⁴ See George Anders, *U.S. Lenders Tie Mortgages To London Interbank Rate*, Wall St. J., Aug. 3, 1988, at 21 (ProQuest Historical Newspapers).

⁵ Some of these rates are no longer available.

⁶ See ICE Benchmark Admin., USD LIBOR Methodology, available at https://www.theice.com/publicdocs/USD_LIBOR_Methodology.pdf (describing waterfall methodology).

⁷ Erik Heitfield & Yang-Ho Park, Fed. Rsv. Bd., *Inferring Term Rates from SOFR Futures Prices 2019-014*, at 2 (Feb. 5, 2019), available at <https://doi.org/10.17016/FEDS.2019.014>.

⁸ See, e.g., Press Release, U.K. Fin. Conduct Auth., Barclays fined £59.5 million for significant failings in relation to LIBOR and EURIBOR (June 27, 2012), available at <https://www.fca.org.uk/news/press-releases/barclays-fined-%C2%A3595-million-significant-failings-relation-libor-and-euribor>; Press Release, U.K. Fin. Conduct Auth., UBS fined £160 million for significant failings in relation to LIBOR and EURIBOR (Dec. 19, 2012), available at <https://www.fca.org.uk/news/press-releases/ubs-fined-%C2%A3160-million-significant-failings-relation-libor-and-euribor>; Press Release, U.K. Fin. Conduct Auth., RBS fined £87.5 million for significant failings in relation to LIBOR (Feb. 6, 2013), available at <https://www.fca.org.uk/news/press-releases/rbs-fined-%C2%A3875-million-significant-failings-relation-libor>.

⁹ See generally U.K. Treasury, *The Wheatley Review of LIBOR: Final Report* (Sept. 2012), available at <https://www.gov.uk/government/publications/the-wheatley-review>.

¹⁰ Alt. Reference Rates Comm. (ARRC), *Minutes for the December 12, 2014 Organizational Meeting*, available at <https://www.newyorkfed.org/arrc/meetings-events>.

¹¹ Andrew Bailey, Chief Exec. of U.K. FSA, *Speech at Bloomberg London: The Future of LIBOR* (July 27, 2017), available at <https://www.fca.org.uk/news/speeches/the-future-of-libor> (stating that current bank panel has “agree[d] voluntarily to sustain LIBOR for a four to five year period, i.e. until end-2021”).

¹² U.K. Fin. Conduct Auth., FCA announcement on future cessation and loss of representativeness of the LIBOR benchmarks, at ¶¶ 3, 8 (Mar. 5, 2021), available at <https://www.fca.org.uk/publication/documents/future-cessation-loss-representativeness-libor-benchmarks.pdf> (announcing publication of overnight and 12-month US dollar LIBOR will cease after June 30, 2023 and the 1-month, 3-month and 6-month US dollar LIBORs will no longer be representative).

¹³ Freddie Mac Bulletin 2023-2, *Libor Transition* (Jan. 25, 2023), available at https://guide.freddiemac.com/app/guide/bulletin/2023-2?utm_source=eloqua&utm_medium=email&utm_campaign=2022-01-25_POLICY_Guide-Policy; Press Release,

Fannie Mae Announces Replacement Rates for Legacy LIBOR Products (Dec. 22, 2022), *available at* <https://www.fanniemae.com/newsroom/fannie-mae-news/replacement-rates-legacy-libor-products>; Press Release, Freddie Mac Announces Replacement Rates for its Legacy LIBOR Contracts (Dec. 22, 2022), *available at* <https://freddiemac.gcs-web.com/news-releases/news-release-details/freddie-mac-announces-replacement-rates-its-legacy-libor>.

¹⁴ Mortgagee Letter 2023-09 (May 2, 2023); FHA INFO 2023-13 (Mar. 1, 2023), 88 Fed. Reg. 12822 (Mar. 1, 2023).

¹⁵ See Press Release, Fed. Rsrv. Bd., Federal Reserve Board announces meeting with market participants on reference rate reform (Nov. 17, 2014), *available at* <https://www.federalreserve.gov/newsevents/pressreleases/other20141117a.htm>. The name first appears in the ARRC's records on the agenda for the second meeting. Alt. Reference Rates Comm. (ARRC), Agenda for the December 12, 2014 Organizational Meeting, *available at* <https://www.newyorkfed.org/arrc/meetings-events>.

¹⁶ Press Release, Alt. Reference Rates Comm. (ARRC), The ARRC Selects a Broad Repo Rate as its Preferred Alternative Reference Rate (June 22, 2017), *available at* <https://www.newyorkfed.org/arrc/announcements>.

¹⁷ Fed. Rsrv. Bank of N.Y., Secured Overnight Financing Rate Data, *available at* <https://www.newyorkfed.org/markets/reference-rates/sofr>. See Alt. Reference Rates Comm. (ARRC), An Updated User's Guide to SOFR, at 4 (Feb. 2021), *available at* <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/users-guide-to-sofr2021-update.pdf>.

¹⁸ Fed. Rsrv. Bank of N.Y., Secured Overnight Financing Rate Data, *available at* <https://www.newyorkfed.org/markets/reference-rates/sofr>. See Alt. Reference Rates Comm. (ARRC), An Updated User's Guide to SOFR, at 4 (Feb. 2021), *available at* <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/users-guide-to-sofr2021-update.pdf>.

¹⁹ Alt. Reference Rates Comm. (ARRC), ARRC Formally Recommends a Forward-Looking SOFR Term Rate, *available at* https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC_Infographic_Term_SOFR.pdf. See generally Alt. Reference Rates Comm. (ARRC), Second Report, at 7–16 (Mar. 2018), *available at* <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2018/ARRC-Second-report> (describing reasons for recommending SOFR and alternatives considered).

²⁰ Rates can be forward looking—based on what the market anticipates, or in arrears—or they can be based on what actually happened in the past.

²¹ See Alt. Reference Rates Comm. (ARRC), ARRC Best Practice Recommendations Related to Scope of Use of the Term Rate (Aug. 27, 2021), *available at* https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC_Scope_of_Use.pdf (discussing cautions about using SOFR term rates).

²² Alt. Reference Rates Comm. (ARRC), Summary of the ARRC's Fallback Recommendations, at 9 (Oct. 6, 2021), *available at* <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/spread-adjustments-narrative-oct-6-2021> (hereinafter “Summary of the AARC’s Fallback Recommendations”).

²³ Press Release, Alt. Reference Rates Comm. (ARRC), ARRC Releases Update on its RFP Process for Selecting a Forward-Looking SOFR Term Rate Administrator (May 21, 2021), *available at* <https://www.newyorkfed.org/arrc/announcements>.

²⁴ CME Group, Wikipedia, *available at* https://en.wikipedia.org/wiki/CME_Group (last visited May 5, 2022).

²⁵ CME Group, CME SOFR Term Rates, *available at* <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html> (last visited May 2, 2022).

²⁶ Press Release, ARRC Provides Update Endorsing CME 12-Month SOFR Term Rate (May 19, 2022), *available at* https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2022/ARRC_CME_12-Month_SOFR_Term_Rate.pdf; Summary of the ARRC's Fallback Recommendations, at 9 (including table showing recommended replacement for the most common LIBOR tenors). See Press Release, Alt. Reference Rates Comm. (ARRC), ARRC Formally Recommends Term SOFR (July 29, 2021), *available at* <https://www.newyorkfed.org/arrc/announcements>.

²⁷ 86 Fed. Reg. 69,716, 69,723 (Dec. 8, 2021) (“The Bureau is reserving judgment about whether to include a reference to the 1-year USD LIBOR index in comment 9(c)(1)-4 until it obtains additional information. Once the Bureau knows which SOFR-based spread-adjusted index the ARRC will recommend to replace the 1-year USD LIBOR index for consumer products, the Bureau may determine whether the replacement index and replacement margin would have resulted in an APR substantially similar to the rate calculated using the LIBOR index.”).

²⁸ Summary of the ARRC’s Fallback Recommendations, at 9–10 (“[F]or consumer legacy contracts, the ARRC recommends that the spread-adjusted CME 1-month, 3-month, and 6-month term SOFR replace the 1-month, 3-month and 6-month LIBOR respectively.”).

²⁹ Refinitiv, Refinitiv USD IBOR Cash Fallbacks, available at <https://www.refinitiv.com/en/financial-data/financial-benchmarks/usd-ibor-cash-fallbacks/rates-form> (last visited May 3, 2022).

³⁰ Alt. Reference Rates Comm. (ARRC), Overview of the ARRC’s Proposed Models of SOFR ARMs, available at <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2019/ARRC-SOFR-ARM-overview.pdf>.

³¹ Fannie Mae, Fannie Mae Legal Documents, Notes, Standard Adjustable-Rate Notes, Multistate Adjustable-Rate Note–30-Day Average SOFR (3441), at ¶4, available at <https://singlefamily.fanniemae.com/fannie-mae-legal-documents>; Freddie Mac, 2021 Updated Instruments, Multistate Adjustable Rate Note 30-day Average SOFR Index (A-LOL) (Form 3441), at ¶4, available at <https://sf.freddiemac.com/tools-learning/uniform-instruments/2021-updated-instruments>.

³² National Consumer Law Center et al., Letter to Sen. Schumer and Sen. McConnell Re Support for the Economic Continuity and Stability Act (Mar. 2, 2022), available at https://www.nclc.org/images/pdf/foreclosure_mortgage/ECSA_ltr.pdf.

³³ See generally Alt. Reference Rates Comm. (ARRC), An Updated User’s Guide to SOFR (Feb. 2021), available at <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/users-guide-to-sofr2021-update.pdf>; Alt. Reference Rates Comm. (ARRC), Guide to Published SOFR Averages, available at <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/20210511-guide-to-published-sofr-averages>.

³⁴ 86 Fed. Reg. 68,716, 69,730–69,731 (Dec. 8, 2021).

³⁵ Press Release, Alt. Reference Rates Comm. (ARRC), The ARRC Selects a Broad Repo Rate as its Preferred Alternative Reference Rate (June 22, 2017), available at <https://www.newyorkfed.org/arrc/announcements>. It is not clear when this “broad rate” was identified as, or named, the “SOFR,” but it was more specifically identified in a November 2017 presentation to the ARRC. Joshua Frost, Fed. Rsv. of N.Y., Introducing the Secured Overnight Financing Rate (SOFR) (Nov. 2, 2017), available at <https://www.newyorkfed.org/medialibrary/media/newsevents/speeches/2017/Frostpresentation.pdf>.

³⁶ Press Release, Alt. Reference Rates Comm. (ARRC), ARRC Formally Recommends Term SOFR (July 29, 2021), available at <https://www.newyorkfed.org/arrc/announcements>.

³⁷ Press Release, Alt. Reference Rates Comm. (ARRC), ARRC Releases Summary of its Spread-Adjusted Fallback Recommendations (Oct. 6, 2021), available at <https://www.newyorkfed.org/arrc/announcements>.

³⁸ Press Release, ARRC Provides Update Endorsing CME 12-Month SOFR Term Rate (May 19, 2022), available at https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2022/ARRC_CME_12-Month_SOFR_Term_Rate.pdf.

³⁹ These are listed in the Resources section at the end of this article.

⁴⁰ See, e.g., N.Y. Gen. Oblig. Law art. 18-C; Ala. Code tit. 5, ch. 28; 2022 Fla. Laws ch. 57 (to be codified at Fla. Stat. 687.15); S. Bill No. 2133, 112th Gen. Assemb., Reg. Sess. (Tenn. 2022) (to be codified at Tenn. Code Ann. 47-33-101 *et seq.*); S. 371, 122nd Gen. Assemb., Reg. Sess. (Ind. 2022) (to be codified at Ind. Code 38-10-2); Leg. Bill 707, 107th Leg., 2nd Sess. (Neb. 2022).

⁴¹ Consolidated Appropriations Act, 2022, Pub. L. No. 117-103, § 107, 136 Stat. 49 (Mar. 15, 2022).

⁴² *Id.* at Div. U, §§ 101–110, 136 Stat. 825–834.

⁴³ 12 C.F.R. Part 253.

⁴⁴ 86 Fed. Reg. 69,716 (Dec. 8, 2021).

⁴⁵ 88 Fed. Reg. 12,822 (Mar. 1, 2023) (final rule); 87 Fed. Reg. 63,458 (Oct. 19, 2022) (proposed rulemaking). NCLC's Nov. 17, 2022 comments on this proposal are available at <https://www.nclc.org/resources/comments-to-hud-regarding-transitioning-from-libor-to-alternate-indices/>.

⁴⁶ Pub. L. No. 117-103, Div. U, §§ 101–110, 136 Stat. 825–834 (Mar. 15, 2022), codified at 12 U.S.C. §§ 5801-5807.

⁴⁷ The LIBOR Act uses the term “determining person” to describe whoever has authority to select a replacement index for a given contract. 12 U.S.C. § 5802(10). However, this article uses the term “note holder” for simplicity.

⁴⁸ 12 U.S.C. § 5803.

⁴⁹ 12 U.S.C. § 5802(17).

⁵⁰ There are no banking holidays in the UK between June 30, 2023 and July 3, 2023. See UK bank holidays for England, available at <https://www.gov.uk/bank-holidays>. The Act gives the Federal Reserve Board authority to declare a different date if it “determines that any LIBOR tenor will cease to be published or cease to be representative on a different date.” 12 U.S.C. § 5802(17). But the Board has said it “has not determined, and does not expect to determine, a LIBOR replacement date earlier than the first London banking day after June 30, 2023.” FR notice @ pdf8 n.21

⁵¹ Pub. L. No. 117-103, Div. U, § 109, 136 Stat. 832 (Mar. 15, 2022) (amending 20 U.S.C. 1087–1(b)(2)(I)).

⁵² Structured Fin. Ass'n, Taking Steps To Protect Student Loan Financing From a Rocky LIBOR Transition (Jan. 13, 2020), available at <https://structuredfinance.org/taking-steps-to-protect-student-loan-financing-from-a-rocky-libor-transition/>; U.S. Gov't Accountability Office, GAO-04-1070, Federal Family Education Loan Program: Statutory and Regulatory Changes Could Avert Billions in Unnecessary Federal Subsidy Payments (Sept. 20, 2004), available at <https://www.gao.gov/products/gao-04-1070>. See also EveryCRSReport.com, Economics of Guaranteed Student Loans (Aug. 2008), available at <https://www.everycrsreport.com/reports/RL34578.html>.

⁵³ U.S. Dep't of Education, (GEN-22-12) Replacement of London Interbank Offered Rate (LIBOR) Based Special Allowance Payment (SAP) with Secured Overnight Financing Rate (SOFR) Under the Adjustable Interest Rate (LIBOR) Act (Aug. 9, 2022), available at <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-08-09/replacement-london-interbank-offered-rate-libor-based-special-allowance-payment-sap-secured-overnight-financing-rate-sofr-under-adjustable-interest-rate-libor-act>.

⁵⁴ Press Release, National Consumer Law Center, NCLC's Pizer Urges Protections for Borrowers With Adjustable Interest Rate Loans in Senate Testimony (Nov. 2, 2021), available at <https://www.nclc.org/media-center/nclcs-pizer-urges-protections-for-borrowers-with-adjustable-interest-rate-loans-in-senate-testimony.html>.

⁵⁵ See Powell: Ameribor 'Fully Appropriate' for Banks When It Reflects Cost of Funding, ABA Banking J. (June 3, 2020), available at <https://bankingjournal.aba.com/2020/06/powell-ameribor-fully-appropriate-for-banks-when-it-reflects-cost-of-funding/>.

⁵⁶ 12 U.S.C. § 5805(b)(1).

⁵⁷ The Act defines “consumer loan” as “a consumer credit transaction,” which is defined by cross-reference to the Truth in Lending Act. 12 U.S.C. 5802(8) and (9).

⁵⁸ 12 U.S.C. § 5807.

⁵⁹ Fed. Res. Bd., Press Release, Federal Reserve Board adopts final rule that implements Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on SOFR (Secured Overnight Financing Rate) that will replace LIBOR in certain financial contracts after June 30, 2023 (Dec. 16, 2022), available at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20221216a.htm>.

⁶⁰ 12 U.S.C. § 5804 (a)(1)–(5).

⁶¹ 12 U.S.C. § 5804 (b)(2)(A), (C)–(D).

⁶² 12 U.S.C. § 5804(c).

⁶³ 12 U.S.C. § 5804 (4).

⁶⁴ *Id.*

⁶⁵ 12 U.S.C. § 5804(6).

⁶⁶ 12 U.S.C. § 5804(20).

⁶⁷ 12 U.S.C. § 5803 (e)(1) (“on the LIBOR replacement date, the Board shall adjust the Board-selected benchmark replacement for each category of LIBOR contract that the Board may identify to include the relevant tenor spread adjustment.”).

⁶⁸ See 12 C.F.R. § 253.4(b)(2)(i)(A)(1) and (B)(1) (referring to the LIBOR “as of the day immediately before the LIBOR replacement date[,]” which is June 30, 2023).

⁶⁹ *Indicative*, Oxford English Dictionary Online (“Designating a price, offer, etc., which is not fixed or unalterable but is usually considered as an indicator of what something may ultimately sell for or be worth.”).

⁷⁰ Refinitiv, Refinitiv USD IBOR Cash Fallbacks, available at <https://www.refinitiv.com/en/financial-data/financial-benchmarks/usd-ibor-cash-fallbacks/rates>. See generally Refinitiv, Refinitiv Benchmark Services (UK) Limited, USD IBOR Consumer Cash Fallbacks (1, 3, 6 MONTHS) Prototype (Jan. 3, 2022), available at https://www.refinitiv.com/content/dam/marketing/en_us/documents/methodology/refinitiv-usd-ibor-cash-fallbacks-methodology.pdf.

⁷¹ See Jacob Rank-Broadley, Refinitiv, Transitioning from LIBOR: Explaining the cash fallback rates (Aug. 11, 2021), available at <https://www.refinitiv.com/perspectives/future-of-investing-trading/transitioning-from-libor-explaining-the-cash-fallback-rates/> (written before the LIBOR Act was passed).

⁷² Press Release, Fed. Rsv. Bank of N.Y., *ARRC Announces Refinitiv as Publisher of its Spread Adjustment Rates for Cash Products* (Mar. 17, 2021), available at <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/20210317-press-release-Spread-Adjustment-Vendor-Refinitiv.pdf>.

⁷³ Fed. Rsv. Bank of N.Y., *SOFR Averages and Index Data*, available at <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>.

⁷⁴ 12 U.S.C. § 5803(f)(6) (“as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”

⁷⁵ 12 U.S.C. § 5803(f)(5).

⁷⁶ 12 U.S.C. § 5803(f)(4).

⁷⁷ The current SOFR as well as the 30-, 90-, and 180-day average are available from the NY Fed’s website: <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>.

⁷⁸ Almost never used in consumer loans.

⁷⁹ ARRC, *ARRC Announces Refinitiv as Publisher of its Spread Adjustment Rates for Cash Products* (Mar. 17, 2021), <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/20210317-press-release-Spread-Adjustment-Vendor-Refinitiv.pdf>.

⁸⁰ 88 Fed. Reg. 5204, 5214 (Jan. 26, 2023).

⁸¹ 12 C.F.R. 253.4(b)(2)(i)(A)(1) and (B)(1)

⁸² Yes, this will be a Sunday, so the value on that day will be the final value as of the preceding Friday, June 30th.

⁸³ 12 C.F.R. 253.4(b)(2)(i)(A) and (B).

⁸⁴ USD IBOR Cash Fallbacks methodology, available at <https://www.refinitiv.com/en/financial-data/financial-benchmarks/usd-ibor-cash-fallbacks> (under Useful Links).

⁸⁵ Linear Interpolation Example (Mar. 6, 2012), available at <https://www.isda.org/2012/03/06/linear-interpolation-example/>.

⁸⁶ 12 C.F.R. § 253.4(b)(iii) (“The rates published or provided by Refinitiv Limited as ‘USD IBOR Cash Fallbacks’ for ‘Consumer’ products shall be deemed equal to the rates identified in paragraphs (b)(2)(i) and (b)(2)(ii) of this section.”).

⁸⁷ For non-consumer loans, the LIBOR Act also allows the calculating person to identify necessary conforming changes. In non-consumer loans, these too will be covered by the safe harbor. 12 U.S.C. § 5802(4).

⁸⁸ 86 Fed. Reg. 69,716 (Dec. 8, 2021) (eff. Apr. 1, 2022); correction 87 Fed. Reg. 8733 (Feb. 16, 2022).

⁸⁹ <https://www.consumerfinance.gov/rules-policy/final-rules/facilitating-libor-transition-regulation-z/>

⁹⁰ 12 C.F.R. § 1026.40(f)(3)(ii)(B) (HELOCs), § 1026.55(b)(7)(ii) (credit cards).

⁹¹ Off'l Interpretation of 12 C.F.R. (Reg. Z) § 1026.40(f)(3)(ii)(A)-1-2 (HELOCs), § 1026.55(b)(7)(i)-1 (credit cards).

⁹² 12 C.F.R. § 1026.40(f)(3)(ii).

⁹³ 12 C.F.R. pt. 1026, supp. I, § 1026.20(a)-3.ii.B.

⁹⁴ See generally 86 Fed. Reg. 69,716, 69,717–69,718, 69,729–69,730 (Dec. 8, 2021) (discussing changes affecting closed-end credit); 86 Fed. Reg. 69,716, 69,732–69,733 (Dec. 8, 2021) (“It is not necessary or warranted for Regulation Z to address the timing of the transition from using the LIBOR indices for closed-end loans because Regulation Z does not address when a creditor may transition a closed-end loan to a new index. Instead, Regulation Z provides guidance on the circumstances when an index change requires creditors to treat the transaction as a refinancing and, accordingly, to provide the disclosures required at origination.”).

⁹⁵ 12 C.F.R. §§ 1026.40(f)(3), 1026.55(b)(7); 12 C.F.R. pt. 1026, supp. I, § 1026.40(f)(3)(ii)(A).

⁹⁶ *Id.*

⁹⁷ 12 C.F.R. pt. 1026, supp. I, §§ 1026.20(a)-3.iv, 1026.40(f)(3)(ii)(A)-2.iii

⁹⁸ Generally, HELOCs and credit cards may not have variable rates unless the index is public and beyond the creditor's control. Regarding HELOCs, see 15 U.S.C. § 1647(a) and 12 C.F.R. § 1026.40(f)(1)(i), (ii). Regarding credit cards, see 15 U.S.C. § 1666i-1(b)(2) and 12 C.F.R. § 1026.55(b)(2)(i). See also National Consumer Law Center, Truth in Lending §§ 7.2.3.3, 8.6.3 (10th ed. 2019), updated at www.nclc.org/library (limits on credit card rate changes and HELOC ARMs); National Consumer Law Center, Mortgage Lending § 8.8 (3d ed. 2019), updated at www.nclc.org/library (limits on ARM rates).

⁹⁹ 12 C.F.R. §§ 1026.40(f)(3)(ii)(B), 1026.55(b)(7)(i) (as amended).

¹⁰⁰ *Id.*

¹⁰¹ 12 C.F.R. pt. 1026, supp. I, § 1026.40(f)(3)(ii)(A)-2(i), (ii); 12 C.F.R. pt. 1026, supp. I, § 1026.40(f)(3)(ii)(B)-1(i), (ii); 12 C.F.R. pt. 1026, supp. I, § 1026.55(b)(7)(i)-1(i), (ii); 12 C.F.R. pt. 1026, supp. I, § 1026.55(b)(7)(ii)-1(i), (ii); 86 Fed. Reg. 69,716, 69,717 (Dec. 8, 2021).

¹⁰² 86 Fed. Reg. 69,716 (Dec. 8, 2021).

¹⁰³ 12 C.F.R. § 1026.55(b) expressly permits an increase.

¹⁰⁴ 12 C.F.R. pt. 1026, supp. I, § 1026.40(f)(3)(ii)(A)-3.i.

¹⁰⁵ 12 C.F.R. pt. 1026, supp. I, § 1026.9(c)(1)-4 (as amended).

¹⁰⁶ 12 C.F.R. § 1026.9(c)(1)(ii), (c)(2)(v)(A) (as amended).

¹⁰⁷ *Id.* But even under the old rule, changing the index always requires notice, regardless of the impact on the APR, because such a change would qualify as a “significant change in account terms.” National Consumer Law Center, Truth in Lending § 6.8.4.4.1 (10th ed. 2019), *updated at* www.nclc.org/library.

¹⁰⁸ 12 C.F.R. § 1026.59(f)(3).

¹⁰⁹ 12 C.F.R. § 1026.59(h)(3). See 86 Fed. Reg. 69,716, 69,717 (Dec. 8, 2021) (discussing this change).

¹¹⁰ 12 C.F.R. pt. 1026, supp. I, § 1026.20(a)-3.ii.B.

¹¹¹ U.K. Fin. Conduct Auth., FCA announces decision on synthetic US dollar LIBOR (Mar. 4, 2023), available at <https://www.fca.org.uk/news/news-stories/fca-announces-decision-synthetic-us-dollar-libor> (announcing decision to require LIBOR’s administrator to continue publication of “synthetic” 1-, 3- and 6-month US dollar LIBOR settings until September 2024).

¹¹² <https://www.consumerfinance.gov/complaint>.

¹¹³ National Consumer Law Center, Mortgage Servicing and Loan Modifications (2019), *updated at* www.nclc.org/library.

¹¹⁴ National Consumer Law Center, Mortgage Servicing and Loan Modifications § 3.3.6 (2019), *updated at* www.nclc.org/library.

¹¹⁵ National Consumer Law Center, Truth in Lending (10th ed. 2019), *updated at* www.nclc.org/library.



**National
Consumer Law
Center**

NATIONAL HEADQUARTERS

7 Winthrop Square, Boston, MA 02110
(617) 542-8010

NCLC.ORG

WASHINGTON OFFICE

Spanogle Institute for Consumer Advocacy
1001 Connecticut Ave, NW, Suite 510
Washington, DC, 20036
(202) 452-6252