

December 7, 2021

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Pelosi and Republican Leader McCarthy:

We, the undersigned organizations, support H.R. 4616, the “Adjustable Interest Rate (LIBOR) Act,” to address “tough legacy” contracts that currently reference LIBOR. We respectfully request the House of Representatives expeditiously pass this legislation.

In June 2023, all tenors of US dollar LIBOR, one of the most important financial benchmarks that underpins nearly \$200 trillion in financial contracts, will cease to be published. As a result, there are trillions of dollars of hard to modify financial contracts, securities, and loans that use LIBOR – known as “tough legacy” contracts – that are unable, before this end date, to either convert to a non-LIBOR rate or amend the contracts to add adequate fallback language to another rate. Without federal legislation to address these contracts, investors, consumers, and issuers of securities may face years of uncertainty, litigation, and a change in value. This would thereby create ambiguity that would lead to a reduction in liquidity and an increase in volatility.

H.R. 4616 provides a solution for these “tough legacy” contracts that have insufficient fallback language and cannot otherwise be amended among the parties. The legislation is narrowly crafted to allow parties to contracts that already have effective fallback provisions to opt-out of the legislation and to only apply to tough legacy contracts so that new or future business will not be affected. In addition, the legislation offers uniform, equitable treatment for all U.S. contracts that fall under the federal legislation. It creates a safe harbor from litigation for parties that are covered by the legislation and prevents otherwise inevitable litigation costs and gridlock. The need for uniform federal legislation has been expressed by consumer groups, investors, financial regulators, and industry participants.

We thank the House Committee on Financial Services for providing a bipartisan solution that offers fair, equitable and consistent treatment for all “tough legacy” contracts in support of the LIBOR transition by passing H.R. 4616 out of the committee by voice vote. We wholeheartedly support the Adjustable Interest Rate (LIBOR) Act and ask that you and all Members of the House of Representatives vote in favor of this critical legislation.

Sincerely,

**Securities Industry and Financial Markets Association (SIFMA)**  
**Structured Finance Association (SFA)**  
**Bank Policy Institute**  
**National Association of Corporate Treasurers**

**Education Finance Council**  
**The Loan Syndications and Trading Association (LSTA)**  
**The International Swaps and Derivatives Association (ISDA)**  
**The Real Estate Roundtable**  
**The Financial Services Forum**  
**Institute of International Bankers**  
**Government Finance Officers Association**  
**Mortgage Bankers Association**  
**Commercial Real Estate Finance Council (CREFC)**  
**Consumer Bankers Association**  
**Investment Company Institute**  
**Institute for Portfolio Alternatives**  
**Independent Community Bankers of America**  
**U.S. Chamber of Commerce, Center for Capital Markets Competitiveness**  
**Housing Policy Council**  
**Student Loan Servicing Alliance**  
**American Bankers Association**  
**The American Council of Life Insurers (ACLI)**

cc: Members of the U.S. House of Representatives