



LSTA Conference: Goodbye LIBOR, Hello SOFR?!

September 20, 2018 - As many recent articles have noted, the “World’s Most Important Number” - aka LIBOR - may be going away after 2021. How will the world (and, more parochially, the loan market) adapt? Very carefully.

Thankfully, the LSTA is committed to helping the loan market adapt in many ways: through standardization, education and (of course!) conferences. We’ll unpack all this below.

First, as we noted last week, in July, the Alternative Reference Rates Committee (ARRC) said it planned to release recommended for a number of asset classes fallback language that describes what a contract would do if LIBOR were to be discontinued. As part of that process, the ARRC will release a consultation on LIBOR fallbacks. We strongly encourage loan market participants to respond to this consultation, and describe your preferred fallback language. (In other words, “Help us help you!”)

Moreover, considering that it’s a \$200 trillion issue, it should come as no surprise that we’ll be talking about transitioning from LIBOR to SOFR at the LSTA Annual Conference on October 24th in New York. Specifically, we will sit down with J.P. Morgan’s Sandie O’Connor - Chairwoman of the ARRC and sixth most powerful woman in banking - to discuss LIBOR and the loan market. In particular, we’ll cover why LIBOR is going away and why SOFR is coming to replace it (and, of course, what SOFR actually is and why you might like it once you try it!) Closer to home, we will discuss exactly what is going on in the CLO and loan space. (Hint: We’ll have numbers on how loan agreements are changing today because of the anticipated LIBOR transition and perspectives on how they might evolve in the future.)

We hope you can join us - and 1,200 of your current and future loan market friends - at the LSTA Conference on October 24, 2018!