

March 2, 2022

Senator Charles Schumer
322 Hart Senate Office Building
Washington, D.C. 20510

Senator Mitch McConnell
317 Russell Senate Office Building
Washington, DC 20510

Re: Support for the Economic Continuity and Stability Act

Dear Senator Schumer and Senator McConnell:

We, the undersigned consumer protection organizations, write to express our strong support for the Economic Continuity and Stability Act. This bill will facilitate the credit industry's smooth transition from the LIBOR index, currently used to set adjustable interest rates in millions of outstanding consumer and business credit contracts in the United States. The bill is necessary because the LIBOR will no longer be available after June 30, 2023.

Without this bill, there would be significant risk to consumers from unjustified rate increases, potentially triggering defaults and foreclosures. The bill establishes a reasonable alternative to LIBOR (called the SOFR index) and encourages the credit industry to employ that alternative in existing consumer credit contracts. Failure to pass this bill will expose consumers and the economy to significant risk.

The bill's provisions replacing the LIBOR are narrowly tailored to carefully preserve borrowers' right to ensure that mistakes made in the transition are corrected. If there is an implementation error when transitioning to the SOFR, or if an institution takes other action that harms a borrower, the borrower will have the right to seek redress, through court if necessary.

The Economic Continuity and Stability Act is a well-considered and carefully negotiated solution to a complex problem facing consumers and financial institutions across the country. We urge you to pass it quickly. Industry needs the certainty that

this bill will provide and sufficient time to make all the changes necessary to implement a new index.

Please contact Andrew Pizor, apizor@nclc.org of the National Consumer Law center or Ben Kaufman, ben@protectborrowers.org, of the Student Borrower Protection Center with questions.

Respectfully,
Americans for Financial Reform
National Consumer Law Center
Student Borrower Protection Center