



September 19, 2022

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th St. & Constitution Ave. NW
Washington, DC 20551

Filed by email to regs.comments@federalreserve.gov

Re: Supplemental comments on Docket No. R-1775 and RIN 7100-AG34 submitted by the Structured Finance Association and the National Consumer Law Center (on behalf of our low-income clients)

Dear Ms. Misback:

Please accept these supplemental comments on the above rulemaking. As explained during our September 8, 2022 meeting with Board staff members, the National Consumer Law Center and Structured Finance Association recommend making the following changes to the proposed rule. These changes will provide needed clarity to all parties in the residential mortgage and student loan markets.

1. Amend § 253.4 by adding the following to subsection (b)(2)(iii):

... as published at [official source-probably Refinitiv's website for consumer loans] or any service based on [same source] chosen by the calculating person where the [Refinitiv Limited "USD IBOR Cash Fallbacks" for "Consumer"] products are published or otherwise made available.

**Note from the Structured Finance Association: Corresponding “source” identification changes would be recommended for each non-consumer product category in §§ 253.4(a), (b)(1), and (b)(3).

2. Add to § 253.4(d):

(d) Date for determining Board-selected benchmark replacement.

(i) For purposes of this part, any Board-selected benchmark replacement shall be determined as of the day that, under the LIBOR contract, would have been used to determine the LIBOR-based rate that is being replaced or, if the Board-selected benchmark replacement is not published on the day indicated in the LIBOR contract, the most recently available publication should be used.

(ii) LIBOR contracts using a Board-selected benchmark replacement shall use the Board-selected benchmark replacement to determine a benchmark value on or after the LIBOR replacement date unless the LIBOR contract requires a determination or calculation to be made using one or more LIBOR values for dates prior to the benchmark replacement date, in which case the LIBOR values for such dates shall be used.

(iii) when a Board-selected benchmark replacement is to be used in a LIBOR contract that, on or after the LIBOR replacement date, would require using a combination (such as an average) of LIBOR value as of dates before the LIBOR replacement date and of the Board-selected benchmark replacement for dates on or after the LIBOR replacement date, the respective LIBOR value(s) and Board-selected benchmark replacement value(s) shall be used.

(iv) Nothing in this § 253.4(d) is intended to preclude referencing or otherwise using the Board-selected benchmark replacement in connection with disclosures or notices that are provided prior to the LIBOR replacement date.

3. Add a new § 253.4(e) *Rounding*.

In connection with using the Board-selected benchmark replacement to determine the benchmark for a LIBOR contract, the calculating person shall round the Board-selected benchmark replacement, in accordance with the terms of the LIBOR contract or the parties' existing practice. If a LIBOR contract requires the use of more decimal places than available in the published Board-selected benchmark replacement, the rate shall be rounded in accordance with the terms of the LIBOR contract to the maximum number of decimal places available in the published Board-selected benchmark replacement.

Thank you for your consideration.

Sincerely,

/s/ Andrew Pizor

Staff Attorney

National Consumer Law Center

/s/ Kristi Leo

President

Structured Finance Association