Statement of the Alternative Reference Rates Committee as the "Relevant Recommending Body" under State LIBOR Legislation with respect to 1-week and 2-month USD LIBOR tenors

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I. Purpose. Legislation enacted in the State of New York and in the State of Alabama[1] (the "**State LIBOR Legislation**") addresses the effect of certain "LIBOR discontinuance events" on Contracts, Securities and Instruments[2] that reference U.S. dollar LIBOR and that are governed by those states' laws. The State LIBOR Legislation provides that the Alternative Reference Rates Committee (the "**ARRC**") is a "Relevant Recommending Body" that is authorized to select and recommend the "Recommended Benchmark Replacement," "Recommended Spread Adjustment" and "Benchmark Replacement Conforming Changes" that are applicable to Contracts, Securities and Instruments subject to the State LIBOR Legislation. The purpose of this Statement is to set forth certain of the ARRC's selections and recommendations in this regard.

II. Scope.

1. This Statement constitutes the selection and recommendation by the ARRC of the Recommended Benchmark Replacement, the Recommended Spread Adjustment and certain Benchmark Replacement Conforming Changes with respect to any New York or Alabama law-governed Contract, Security or Instrument:

a. that references the 1-week and/or 2-month tenors of USD LIBOR; and

b. to which the State LIBOR Legislation applies as a result of the occurrence of a LIBOR Replacement Date (a "**Covered Contract**").[3]

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1 New York State General Obligations Law, Article 18-C; Chapter 28, Title 5 of the Code of Alabama 1975. Citations in this Statement to specific statutory provisions are, for convenience, to the New York codification of the State LIBOR Legislation, but apply equally to their counterpart provisions under Alabama law. It is the intention of the ARRC that the selections and recommendations contained in this Statement shall also apply for purposes of any similar legislation enacted in any other U.S. state, territory or possession, unless otherwise expressly provided under applicable law or in a subsequent statement of the ARRC. As to any contracts not governed by such legislation or applicable laws, adoption of the selections and recommendations set forth herein is voluntary and, with respect to any such contracts, each market participant must decide for itself whether and to what extent it adopts these selections and recommendations.

2 Subdivision (14) of Section 18-400 of the State LIBOR Legislation defines "contract, security or instrument" to "include, without limitation, any contract, agreement, mortgage, deed of trust, lease, security (whether representing debt or equity, and including any interest in a corporation, a partnership or a limited liability company), instrument or other obligation."

3 Note that the LIBOR Replacement Date for 1-week and 2-month USD LIBOR tenors in Covered Contracts will be January 2, 2022.

2. To the extent practicable, this Statement should be interpreted to apply to a Supporting Obligation in the same manner as the related Covered Contract.[4]

III. Defined Terms; Interpretation. Capitalized terms that are defined in the State LIBOR Legislation are used in this Statement with the same meaning. All other capitalized terms used herein have the meaning set forth in this Statement, including Appendix A hereto. For the avoidance of doubt, references herein to "principal" or "interest" to describe the method for calculating a Recommended Benchmark Replacement or Recommended Spread Adjustment are not meant to re-characterize the nature of any payment or Covered Contract to which this Statement applies (such as, without limitation, a swap or commercial contract).

IV. Recommended Benchmark Replacement. The Recommended Benchmark Replacement for each type of Covered Contract is specified in the applicable Appendix hereto.

V. Recommended Spread Adjustment. The Recommended Spread Adjustment for each type of Covered Contract is specified in the applicable Appendix hereto.

VI. Benchmark Replacement Conforming Changes. The Benchmark Replacement Conforming Changes, for purposes of Section 18-400(9)(a) of the State LIBOR Legislation, for each type of Covered Contract are specified in the applicable Appendix hereto. Pursuant to Section 18-400(9)(b) of the State LIBOR Legislation, a "Calculating Person" can specify other Benchmark Replacement Conforming Changes, subject to the terms of Section 18-400(9)(b).

VII. Appendices. The following Appendices are an integral part of this Statement and all references to "this Statement" shall include each Appendix, as applicable.

Appendix A - Definitions for Purposes of this Statement

Appendix B - Asset-backed Securities

Appendix C - Business Loans

Appendix D - Consumer Products

Appendix E - Financial Market Transactions

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[4] By way of illustration, a guaranty that specifically says that LIBOR shall have the same meaning as in the underlying loan should, by operation of that language, get the same fallback treatment under the State LIBOR Legislation as the loan. This provision is intended to achieve that same result for a guaranty that simply references "LIBOR" (without cross-reference to the loan), rather than analyzing each of the loan and the guaranty separately as a Covered Contract. The same is true for any other type of contingent obligation that is within scope of the "Supporting Obligation" definition and any other type of underlying obligation that it supports (eg, a swap and a guaranty, a bond and a financial guaranty insurance policy, etc.)

Appendix A- Definitions for Purposes of this Statement

When used in this Statement, the following capitalized terms shall have the respective meanings set forth below:

1. *Definitions of Types of Covered Contracts*

"**Asset-backed Security**" has the meaning given to that term in Section 3(a)(79) of the Securities Exchange Act of 1934, as amended, and the SEC regulations thereunder.

"**Business Loan**" means any obligation (whether present or future, contingent or otherwise) in respect of borrowed money, other than an Asset-backed Security, a Consumer Product, a Financial Market Transaction, a Floating Rate Note or a Commercial Contract. Examples of Business Loans include, but are not limited to, commercial loans, corporate loans, middle market loans, trade finance loans, commercial real estate loans and warehouse loans.

"**Commercial Contract**" means commercial supply agreements or contracts for purchases of major capital equipment or other types of business assets in which references to "LIBOR" are used, for example, to calculate a discounted purchase price or a default rate of interest and are not used to calculate interest in respect of borrowed money.

"**Consumer Product**" means a consumer credit transaction. For purposes of this definition, the terms "consumer'' and "credit" have the meaning given those terms, respectively, under Section 103 of the Truth in Lending Act, as amended.

"**Financial Market Transaction**" means a contract that would satisfy the criteria to be a "Protocol Covered Document" under the ISDA 2020 IBOR Fallbacks Protocol published by the International Swaps and Derivatives Association, Inc. on October 23, 2020 (the "**Protocol**") but for the fact that one or more parties to such contract is not an "Adhering Party" as such term is used in the Protocol, *provided that* (1) the term "Financial Market Transaction" does not include any contract where the Adhering Parties to such contract have expressly agreed in writing to exclude it from the scope of the amendments made by the Protocol and (2) for purposes of this definition, "Protocol Effective Date" (as such term is used in the Protocol) means the LIBOR Replacement Date for the relevant Covered Contract.

"**Floating Rate Note**" means any "security" as such term is defined under Section 2(a) of the Securities Act of 1933, as amended, and the SEC regulations thereunder, other than an Asset-backed Security.

"**Supporting Obligation**" means a guaranty, surety bond, financial guaranty insurance policy, letter of credit or similar contract or instrument under which a payment obligation is contingent upon, and measured (in whole or in part) by reference to, a failure to make a payment determined on the basis of LIBOR under another Covered Contract.

2. *Other Definitions*

"**30-day Average SOFR**" means (1) the 30-Day Average Secured Overnight Financing Rate published on the same date as of which the LIBOR rate that is to be replaced would have been determined under the Covered Contract as such rate appears on the Federal Reserve Bank of New York's website at 3:00 p.m. (New York time); (2) if the rate specified in (1) above does not so appear, the 30-Day Average Secured Overnight Financing Rate as published in respect of the first preceding Business Day for such rate was published on the Federal Reserve Bank of New York's website;

"**Business Day**" means, for the purpose of the definitions in this Statement, any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**Compounded SOFR In Arrears**" with respect to any period, means a method of computing the In Arrears rate of return of a daily compound interest investment computed in accordance with the following formula (the resulting percentage will be rounded, if necessary, according to the convention for USD LIBOR in the Covered Contract)

$$\left[\prod_{b=1}^{T}(1 + ESOFR_b) - 1\right]\frac{360}{d_c}$$

Where

$ESOFR_b$ is the applicable Effective SOFR Rate for Business Day *b*

T is the number of *business days* in the period

d_c is the number of *calendar days* in the period

And *b* is a series of whole numbers from one to T, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant period.

In the absence of any Lookback or Lockout, the applicable Effective SOFR Rate for business day *b* is

$$ESOFR_b = \frac{SOFR_b \times n_b}{360}$$

Where

$SOFR_b$ is the daily SOFR rate for Business Day *b*

n_b for any Business Day *b*, is the number of calendar days from, and including, such Business Day *b* to, but excluding, the following Business Day *(b+1)*;

In order to implement Compound SOFR in Arrears in connection with a Lookback Without an Observation Shift, the applicable Effective SOFR Rate would be

$$ESOFR_b = \frac{SOFR_{b-k} \times n_b}{360}$$

where k is the number of business days used in the Lookback, while in order to implement a Compound SOFR in Arrears in connection with a Lookback With an Observation Shift, the applicable Effective SOFR Rate would be

$$ESOFR_b = \frac{SOFR_{b-k} \times n_{b-k}}{360}$$

"**Daily Compounded SOFR In Arrears**" means the sum over all Business Days in the period of accrued daily compound interest, where accrued daily compound interest for each Business Day is calculated as the product of (i) the applicable Effective SOFR Rate for that day and (ii) the sum of the outstanding principal for that day and any accrued daily compound interest that was unpaid as of the preceding Business Day. For purposes of clarity, if outstanding principal is constant over a period, calculation via Daily Compounded SOFR will be the same as a Compounded SOFR In Arrears calculated at the end of that period.

"**Daily Simple SOFR In Arrears**" means the sum over all Business Days in the period of accrued daily simple interest, where accrued daily simple interest for each Business Day is calculated as the product of (i) the applicable Effective SOFR Rate for that day and (ii) the outstanding principal for that day. For purposes of clarity, if the outstanding principal is constant over a period, calculation via Daily Simple SOFR will be the same as Simple Average SOFR In Arrears at the end of that period.

"**Effective SOFR Rate**" means, for a given Business Day the applicable SOFR Rate for that Business Day, multiplied by the number of calendar days until the immediately following Business Day, and divided by 360 (the resulting percentage will be rounded, if necessary, according to the convention for USD LIBOR in the Covered Contract).

"**Fallback Rate (SOFR) Screen**" means the Bloomberg screen corresponding to the Bloomberg ticker for the "Fallback Rate for USD LIBOR" for a period of the relevant maturity accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).

"**In Arrears**" means a rate determined by using the value of SOFR for each day in the relevant period through and including the last day of such period (subject, if applicable, to Lockout or Lookback).

"ISDA USD LIBOR Fallback Rate" means the adjusted SOFR plus the spread for the relevant period, provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by the International Swaps and Derivatives Association, Inc. ("**ISDA**") from time to time), as the provider of the ISDA USD LIBOR Fallback on the Fallback Rate (SOFR) Screen (or by other means) or provided to, and published by, authorized distributors.

"**Lockout**" means, for any method of calculating interest In Arrears, a modification to the calculation method that freezes, for a specified number of days preceding the end of the period, SOFR at the value of SOFR applied to the Business Day immediately preceding the frozen days.

"**Lookback**" means, for any calculation or method of calculating interest In Arrears, on each Business Day of the period (an "**Accrual Day**"), the applicable SOFR rate to be applied shall be the SOFR rate from a specified number of Business Days prior to that day (an "**Observation Day**").

"**Payment Delay**" means a postponement for a specified number of days of the due date of a payment.

"**Refinitiv Consumer Cash Fallback**" means for the spread-adjusted USD IBOR Refinitiv Consumer Cash Fallback published as part of the Refinitiv "USD IBOR Cash Fallbacks" for "Consumer" products, with the "Rate" of "All-in" and the "Tenor" of a period equal to the relevant period.

"**Refinitiv Spread-Adjusted Compound SOFR In Arrears**" means a compounded average of SOFR for a period of calendar days plus the spread for the relevant period, provided by Refinitiv (or a successor provider as approved and/or appointed by a Relevant Recommending Body from time to time), published as part of the Refinitiv "USD IBOR Cash Fallbacks" for "Institutional" products, with the "Rate Type" of "Compound in arrears," the "Rate" of "All-in", and the "Tenor" of a period equal to the relevant period.

"**Refinitiv Spread-Adjusted Simple SOFR In Arrears**" means a simple average of SOFR for a period of calendar days plus the spread for the relevant period, provided by Refinitiv (or a successor provider as approved and/or appointed by a Relevant Recommending Body from time to time), published as part of the Refinitiv "USD IBOR Cash Fallbacks" for "Institutional" products, with the "Rate Type" of "Simple in arrears," the "Rate" of "All-in", and the "Tenor" of a period equal to the relevant period.

"**Simple Average SOFR In Arrears**" with respect to any period, means a method of computing the In Arrears the rate of return of a daily interest investment computed in accordance with the following formula (the resulting percentage will be rounded, if necessary, according to the convention for USD LIBOR in the Covered Contract)

$$\left[\sum_{b=1}^{T} ESOFR_b\right]\frac{360}{d_c}$$

Where

$ESOFR_b$ is the applicable Effective SOFR Rate for Business Day b

T is the number of Business Days in the period

d_c is the number of calendar days in the period

And b is a series of whole numbers from one to T, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant period.

In the absence of any Lookback or Lockout, the applicable Effective SOFR Rate for business day b is

$$ESOFR_b = \frac{SOFR_b \times n_b}{360}$$

Where

> $SOFR_b$ is the daily SOFR rate for Business Day *b*
>
> n_b for any Business Day *b*, is the number of calendar days from, and including, such Business Day *b* to, but excluding, the following Business Day *(b+1)*;

In order to implement Compound SOFR in Arrears in connection with a Lookback Without an Observation Shift, the applicable Effective SOFR Rate would be

$$ESOFR_b = \frac{SOFR_{b-k} \times n_b}{360}$$

where k is the number of business days used in the Lookback, while in order to implement a Compound SOFR in Arrears in connection with a Lookback With an Observation Shift, the applicable Effective SOFR Rate would be

$$ESOFR_b = \frac{SOFR_{b-k} \times n_{b-k}}{360}$$

"**SOFR**" means, with respect to any Business Day, (1) the Secured Overnight Financing Rate published for that day as such rate appears on the Federal Reserve Bank of New York's website at 3:00 p.m. (New York time) on the immediately following Business Day; (2) if the rate specified in (1) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding Business Day for which such rate was published on the Federal Reserve Bank of New York's website;

"**Term SOFR**" means the Term SOFR Reference Rate published by the CME Group Inc. for a specified tenor, determined for the same date as of which the LIBOR rate that is to be replaced would have been determined under the Covered Contract.

"**With an Observation Shift**" means, in connection with calculating an Effective SOFR Rate under a Lookback, , the Observation Day's SOFR value is multiplied by the number of calendar days until the next Business Day immediately following the Observation Day.

"**Without an Observation Shift**" means, in connection with calculating an Effective SOFR Rate under a Lookback, , the Observation Day's SOFR value is multiplied by the number of calendar days until the next Business Day immediately following the Accrual Day.

Appendix B - Asset-backed Securities

This Appendix applies to any Covered Contract that is an Asset-backed Security. This Appendix does not apply to any asset securing, backing or otherwise underlying an Asset-backed Security, unless such asset itself is also an Asset-backed Security.

For Asset-backed Securities within the scope of subdivision (1) or subdivision (3) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	
For one-week LIBOR	30-day Average SOFR
For two-month LIBOR	30-day Average SOFR
Recommended Spread Adjustment	
If the Recommended Benchmark Replacement selected is for a one-week tenor	0.03839 percent
If the Recommended Benchmark Replacement selected is for a two-month tenor	0.18456 percent
Benchmark Replacement Conforming Changes	None recommended

Appendix C - Business Loans

This Appendix applies to any Covered Contract that is a Business Loan.

For Business Loans within the scope of subdivision (1) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	
For one-week LIBOR	Daily Simple SOFR In Arrears
For two-month LIBOR	Daily Simple SOFR In Arrears
Recommended Spread Adjustment	
If the Recommended Benchmark Replacement selected is for a one-week tenor	0.03839 percent
If the Recommended Benchmark Replacement selected is for a two-month tenor	0.18456 percent
Benchmark Replacement Conforming Changes	
Lookback	Five Business Days

For Business Loans within the scope of subdivision (3) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	
For one-week LIBOR	30-day Average SOFR; One-week Compounded SOFR In Arrears/Daily Compounded SOFR In Arrears; or One-week Simple Average SOFR In Arrears/Daily Simple SOFR In Arrears.
For two-month LIBOR	30-day Average SOFR; Two-month Compounded SOFR In Arrears/Daily Compounded SOFR In Arrears; or Two-month Simple Average SOFR In Arrears/ Daily Simple SOFR In Arrears.
Recommended Spread Adjustment	
If the Recommended Benchmark Replacement selected is for a one-week tenor	0.03839 percent
If the Recommended Benchmark Replacement selected is for a two-month tenor	0.18456 percent
Benchmark Replacement Conforming Changes (*Applicable to only Compounded SOFR In Arrears/Daily Compounded SOFR In Arrears or Simple Average SOFR In Arrears/Daily Simple SOFR In Arrears*)	
Lockout	Not applicable
Lookback	Permitted
Observation Shift	Not applicable
Payment Delay	Not applicable

Appendix D - Consumer Products

This Appendix applies to any Covered Contract that is a Consumer Product.

For Consumer Products within the scope of subdivision (1) or subdivision (3) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	
For one-week LIBOR	One-week Refinitiv Consumer Cash Fallback
For two-month LIBOR	Two-month Refinitiv Consumer Cash Fallback
Recommended Spread Adjustment	None[5]
Benchmark Replacement Conforming Changes	None recommended

[5] For the avoidance of doubt, a Recommended Spread Adjustment should not be added separately to the Recommended Benchmark Replacement because the Recommended Benchmark Replacement specified in this Appendix already includes the Recommended Spread Adjustment

Appendix E - Financial Market Transactions

This Appendix applies to any Covered Contract that is a Financial Market Transaction.

For Financial Market Transactions within the scope of subdivision (1) or subdivision (3) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	ISDA USD LIBOR Fallback Rate
Recommended Spread Adjustment	None[6]
Benchmark Replacement Conforming Changes	None recommended

[6] For the avoidance of doubt, a Recommended Spread Adjustment should not be added separately to the Recommended Benchmark Replacement because the Recommended Benchmark Replacement specified in this Appendix already includes the Recommended Spread Adjustment.

Appendix F - Floating Rate Notes

This Appendix applies to any Covered Contract that is a Floating Rate Note.

For Floating Rate Notes within the scope of subdivision (1) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	
For one-week LIBOR	One-week Compound SOFR In Arrears
For two-month LIBOR	Two-month Compound SOFR In Arrears
Recommended Spread Adjustment	
If the Recommended Benchmark Replacement selected is for a one-week tenor	0.03839 percent
If the Recommended Benchmark Replacement selected is for a two-month tenor	0.18456 percent
Benchmark Replacement Conforming Changes	
Lockout	Not to exceed 5 Business Days, whether alone or in combination with a Lookback or Payment Delay
Lookback	Not to exceed 5 Business Days, whether alone or in combination with a Lookback or Payment Delay
Observation Shift	Permitted
Payment Delay	Not to exceed 5 Business Days, whether alone or in combination with a Lookback or Payment Delay

For Floating Rate Notes within the scope of subdivision (3) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	
For one-week LIBOR	30-day Average SOFR; One-week Compounded SOFR In Arrears/Daily Compounded SOFR In Arrears; or One-week Simple Average SOFR In Arrears/Daily Simple SOFR In Arrears.
For two-month LIBOR	30-day Average SOFR; Two-month Compounded SOFR In Arrears/Daily Compounded SOFR In Arrears; or Two-month Simple Average SOFR In Arrears/ Daily Simple SOFR In Arrears.
Recommended Spread Adjustment	
If the Recommended Benchmark Replacement selected is for a one-week tenor	0.03839 percent
If the Recommended Benchmark Replacement selected is for a two-month tenor	0.18456 percent
Benchmark Replacement Conforming Changes (*Applicable to only Compounded SOFR In Arrears/Daily Compounded SOFR In Arrears or Simple Average SOFR In Arrears/Daily Simple SOFR In Arrears*)	
Lockout	Not to exceed 5 Business Days, whether alone or in combination with a Lookback or Payment Delay
Lookback	Not to exceed 5 Business Days, whether alone or in combination with a Lookback or Payment Delay
Observation Shift	Permitted
Payment Delay	Not to exceed 5 Business Days, whether alone or in combination with a Lookback or Payment Delay

Appendix G - Other Covered Products

This Appendix applies to any Covered Contract that is not within scope of any other Appendix.

For Other Covered Products within the scope of subdivision (1) or subdivision (3) of Section 18-401 of the State LIBOR Legislation	
Recommended Benchmark Replacement	
For one-week LIBOR	30-day Average SOFR
For two-month LIBOR	30-day Average SOFR
If the Recommended Benchmark Replacement selected is for a one-week tenor	0.03839 percent
If the Recommended Benchmark Replacement selected is for a two-month tenor	0.18456 percent
Benchmark Replacement Conforming Changes	None recommended