

# RESCINDED

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## Libor Transition: Joint Statement on U.S. Dollar Libor Transition

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

### Summary

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) today issued a statement to encourage banks<sup>[1](#)</sup> to transition away from U.S. dollar (USD) Libor as soon as practicable.

The statement clarifies the steps that the banks are expected to take to facilitate an orderly transition away from USD Libor that will promote banks' safety and soundness.

## Note for Community Banks

The statement applies to community banks. The applicability of some concepts depends on the nature and extent of the banks' USD Libor exposure.

## Highlights

The Libor transition is a significant event that poses complex challenges for banks and the financial system. The statement conveys that

- the agencies encourage banks, as soon as practicable but no later than December 31, 2021, to cease entering into new contracts that use USD Libor as a reference rate.
- entering into new Libor contracts after December 31, 2021, or failure to prepare for disruptions to USD Libor would create safety and soundness risks.
- if the publication of USD Libor is extended beyond December 31, 2021, the agencies recognize that there may be limited circumstances (e.g., market making and hedging) when it would be appropriate for a bank to enter into new USD Libor contracts after that date.

## Further Information

Please contact Ang Middleton, Risk Specialist, or Chris McBride, Director of Treasury and Market Risk Policy, at (202) 649-6360.

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## Related Link

- ["Statement on Libor Transition"](#) (PDF)

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<sup>1</sup> "Banks" refers collectively to national banks, federal savings associations, and federal branches and agencies of foreign banking organizations.

Topic(s): ■ CAPITAL MARKETS