Statement on LIBOR

Last Updated: December 17, 2021

The FDIC remains actively focused on the LIBOR transition. FDIC–supervised institutions continue to move in the right direction to address the LIBOR transition and adopt a replacement rate by December 31st. Banks are also dealing with the challenges of legacy contracts and making adequate preparations for LIBOR's discontinuation. We have not noted significant outliers among FDIC-supervised institutions.

We have found that many FDIC–supervised institutions, particularly smaller community banks, do not have material LIBOR exposures. Institutions that do generally have made concerted efforts to transition away from LIBOR and are on track to issue new contracts in another reference rate by year-end.

For several years, the FDIC has conducted industry outreach on the LIBOR transition to encourage the identification of exposures, timely implementation of a replacement rate, and amendments to legacy contracts as appropriate. In addition, the FDIC participated in the issuance of several interagency statements emphasizing supervisory expectations, including as recently as this past October.

We will continue to monitor the LIBOR transition during safety and soundness examinations in 2022 to ensure that a replacement rate has been implemented for new contracts, and legacy contracts are being appropriately addressed.

Thank you.