Statement to the Financial Stability Oversight Council

Last Updated: June 11, 2021

I am afraid that my statement will fall woefully short of an eloquent eulogy or Hans Christian Andersen's excellent works. But like "The Steadfast Tin Soldier," I will march on. I, too, agree with Vice Chairman Quarles' excellent eulogy as the FDIC continues to focus on the LIBOR transition and to assess institutions' practices and plans to adopt a replacement rate and address legacy contracts before December 31 of this year. FDIC-supervised institutions generally are on target to meet this goal.

Most FDIC-supervised institutions do not have material LIBOR exposures. Those that do tend to be banks with total assets exceeding $10 billion and larger community banks that engage in commercial lending or derivative activities. These institutions have generally developed appropriate plans to move away from LIBOR and have stopped, or are on track to stop, issuing new contracts using LIBOR by year-end.

As stated in the past by me and other FDIC officials, the FDIC does not endorse any particular alternative reference rate.

From a supervisory perspective, we are focused on: the selection of a replacement rate; appropriate fallback language for legacy contracts; technology capabilities for processing a new benchmark rate with various tenors; customer communication; and consumer protection.

"The Little Match Girl" will, in fact, run out of those matches on December 31, 2021, and financial institutions must be ready.

Thank you.