

(1) Bank

The term “bank” means an institution subject to examination by a Federal financial institutions regulatory agency.

(2) Covered action

The term “covered action” means—

(A) the initiation by a Federal supervisory agency of an enforcement action, including the issuance of a cease-and-desist order; or

(B) the issuance by a Federal supervisory agency of a matter requiring attention, a matter requiring immediate attention; or a matter requiring board attention resulting from a supervisory activity conducted by the Federal supervisory agency.

(3) Federal financial institutions regulatory agency

The term “Federal financial institutions regulatory agencies” has the meaning given the term in section 3302 of this title.

(4) Federal supervisory agency

The term “Federal supervisory agency” means an agency listed in subparagraphs (A) through (H) of section 3401(7) of this title.

(5) Non-IBOR loan

The term “non-IBOR loan” means any loan that, by its terms, does not use in any way LIBOR, any tenor of non-U.S. dollar currency rates formerly known as the London interbank offered rate as administered by ICE Benchmark Administration Limited (or any predecessor or successor administrator thereof), and any other interbank offered rates that are expected to cease, as a benchmark.

(b) Benchmarks used by banks

With respect to a benchmark used by a bank—

(1) the bank, in any non-IBOR loan made before, on, or after March 15, 2022, may use any benchmark, including a benchmark that is not SOFR, that the bank determines to be appropriate for the funding model of the bank; the needs of the customers of the bank; and the products, risk profile, risk management capabilities, and operational capabilities of the bank; provided, however, that the use of any benchmark shall remain subject to the terms of the non-IBOR loan, and applicable law; and

(2) no Federal supervisory agency may take any covered action against the bank solely because that benchmark is not SOFR.

(Pub. L. 117-103, div. U, §106, Mar. 15, 2022, 136 Stat. 831.)

§ 5806. Preemption

This chapter, and regulations promulgated under this chapter, shall supersede any provision of any State or local law, statute, rule, regulation, or standard—

(1) relating to the selection or use of a benchmark replacement or related conforming changes; or

(2) expressly limiting the manner of calculating interest, including the compounding of interest, as that provision applies to the selection or use of a Board-selected benchmark replacement or benchmark replacement conforming changes.

(Pub. L. 117-103, div. U, §107, Mar. 15, 2022, 136 Stat. 832.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this division”, meaning div. U of Pub. L. 117-103, Mar. 15, 2022, 136 Stat. 825, known as the Adjustable Interest Rate (LIBOR) Act, which is classified principally to this chapter. For complete classification of div. U to the Code, see Short Title note set out under section 5801 of this title and Tables.

§ 5807. Rulemaking

Not later than 180 days after March 15, 2022, the Board shall promulgate regulations to carry out this chapter.

(Pub. L. 117-103, div. U, §110, Mar. 15, 2022, 136 Stat. 834.)

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