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### LIBOR'S Last Lucid Moment

The London Interbank Offered Rate (LIBOR) is expected to be discontinued on December 31, 2021. The end of LIBOR will likely cause widespread disruption in debt capital markets, particularly with respect to debt securities using LIBOR-based interest rates and with no means to substitute an alternate rate.

#### **The London Interbank Offered Rate**

LIBOR is the average quoted interest rate at which major banks would lend to each other on a short-term unsecured basis. LIBOR is ubiquitous in global markets and is used in more than \$350 trillion of financial transactions. Issuers frequently use LIBOR to set the interest rate on bonds, including floating rate notes, securitizations, corporate bonds and municipal debt, as well as credit facilities, commercial loans, derivatives and most types of consumer loans.

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