Letter from the Director

The Winter 2018 issue of *Supervisory Insights* examines the future of, and alternatives to, the London Inter-bank Offered Rate (LIBOR).

LIBOR is a popular reference rate for commercial loans, residential mortgages, derivatives and swaps, and other credit instruments. While LIBOR is often viewed as a reference rate used by larger financial institutions, it is also important to smaller community banks and savings institutions. Despite its current worldwide use, initiatives are underway that could transition financial markets away from the use of LIBOR as a reference rate after 2021.

The FDIC recognizes that the potential transition away from or reduced use of LIBOR may result in adjustments for financial institutions that have this rate embedded in contracts. "Transitions in Financial Instrument Reference Rates" provides useful information to help financial institution management understand the potential impact and planning considerations for a possible transition from LIBOR.

This issue of *Supervisory Insights* also includes an overview of recently released regulations and other items of interest.

We hope you find this issue of *Supervisory Insights* to be a useful resource. We encourage our readers to provide feedback and suggest topics for future issues. Please email your comments and suggestions to SupervisoryJournal@fdic.gov.

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