



LIBOR Transition / Index Migration Workbench (LIBOR)

Prepare for the End of LIBOR

The London Interbank Offered Rate (LIBOR) is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans.

Regulators appear ready to replace the London Interbank Offered Rate, marred by scandal in recent years, with a new benchmark known as the Secured Overnight Financing Rate as early as 2021. After 2021, The Financial Conduct Authority in the United Kingdom will no longer require banks to report transactions used to calculate LIBOR.

What This Means

If you have loans or lines of credit based on LIBOR, your teams should identify all LIBOR loans now and plan for replacement of this index in ARM notes and servicing systems. And, your portfolio of loans likely contains a wide variety of terms and language requiring assessment on implementation of replacement or Fallback index rate.

LIBOR Audit Benefits

- Identify LIBOR loans
- Prepare for transition to SOFR
- Help maintain a positive borrower experience
- Help mitigate risk
- Document amendment and management
- Confirm successful migration with post-migration reviews
- End-to-end solution

What Will Change

The Secured Overnight Financing Rate, or SOFR, is an interest rate that banks use to price U.S. dollar-denominated derivatives and loans. As part of an effort to replace LIBOR, the New York Federal Reserve began publishing the rate in April 2018. Aligned with international standards, SOFR is considered less vulnerable to manipulation and is based on a large volume of actual transactions.

To successfully transition from LIBOR to SOFR, preparation efforts must include a holistic approach to ensure timely, accurate and comprehensive controls are in place once LIBOR is no longer required.

How We Help

Our extensive experience in providing audit solutions to top national lenders serves as a foundation for delivering a complete solution. Our teams are well positioned to help your transition from LIBOR to SOFR.

Services include:

- Comprehensive data capture and audit review
- Fast, accurate document generation for borrower communications
- Print and ship or esign document fulfillment
- Timely notification/borrower signing based on client requirements
- Accurate servicing system update via file exchange

The end of LIBOR is approaching. CoreLogic can help you prepare. To learn more about CoreLogic LIBOR audit solutions, call 866.774.3282 or email us at sales@corelogic.com.