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# LIBOR Transition for KeyBank LIBOR Adjustable-Rate Mortgages (where index is one year LIBOR)

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## Frequently asked questions

Many KeyBank Adjustable Rate Mortgages (ARMs) originated prior to February 1, 2021, specify U.S. Dollar London Interbank Offered Rate (also known as “LIBOR”) as the index to be used to calculate the interest rate and the payments to be made. LIBOR is scheduled to cease being published in its current form after June 30, 2023. Learn more about what will happen to these ARMs when LIBOR is no longer available.

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### What is LIBOR and when will LIBOR no longer be available?

Generally, LIBOR is an index that is used by many contracts to calculate the interest rate and payment amount. More broadly, LIBOR is a benchmark rate intended to represent the interest rate that global banks in London would pay to fund themselves by borrowing U.S. Dollars from each other on an unsecured basis. To determine the benchmark rate, a panel of banks submits to an administrator information reflecting the rate at which each believes it could fund itself for various periods of time. LIBOR is scheduled to cease being published in its current form after June 30, 2023.

### What is the LIBOR Act?

In anticipation of LIBOR no longer being available, Congress enacted the LIBOR Act. The act is intended to provide a uniform, nationwide process for replacing LIBOR in existing contracts. With respect to most ARMs, the LIBOR Act provides authority to mortgage noteholders and servicers to select a replacement rate identified by the Board of Governors of the Federal Reserve System (Federal Reserve). The act was signed into law by President Joseph Biden on March 15, 2022.

### What role did Federal Reserve play under the LIBOR Act?

As required by the LIBOR Act, the Federal Reserve identified the Refinitiv USD IBOR Consumer Cash Fallback (the “Refinitiv Consumer Index”) as an index replacement for LIBOR when used in existing consumer contracts, including ARMs that require noteholders to select a new index based on comparable information when LIBOR is no longer available. The Federal Reserve also determined that certain so-called “benchmark replacement conforming changes” would address issues affecting the implementation, administration and calculation of the Refinitiv Consumer Index, and identified four such technical changes some of which may impact your KeyBank ARM.

### Does the LIBOR Act apply to my KeyBank ARM? If so, how?

Yes. The terms of your KeyBank ARM specify that LIBOR is the index to be used to calculate your interest rate and payment amounts when the fixed rate interest period of your ARM ends. Your KeyBank ARM provides that the noteholder shall select a new index based on comparable information when LIBOR is no longer available. The LIBOR Act authorizes ARM noteholders to select the Refinitiv Consumer Index as the replacement for LIBOR before June 30, 2023, and then use it when necessary to calculate interest and payments. The LIBOR Act also provides that certain so-called “benchmark replacement conforming changes” may become an integral part of your contract if the Refinitiv Consumer Index is selected as the replacement for LIBOR.

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## Will LIBOR for my KeyBank ARM be replaced by the Refinitiv Consumer Index?

Yes. In accordance with the LIBOR Act and the terms of your ARM (as generally found in your loan note/agreement), KeyBank, as noteholder, has selected the Refinitiv Consumer Index that corresponds to the LIBOR index referenced in your ARM as the index to be used to calculate your interest rate and determine payments when necessary after LIBOR is no longer available.

If your KeyBank ARM is currently in its fixed rate period, your interest rate will not change until it is scheduled to do so pursuant to the terms of your ARM. Your initial interest rate adjustment disclosure and any subsequent ongoing interest rate adjustment disclosures will reference the applicable Refinitiv Consumer Index, which will then be used to calculate your new interest rate and future payment amounts at the appropriate time.

If your KeyBank ARM already experienced its initial interest rate adjustment, then you should expect future ongoing interest rate adjustment disclosures to reference and use the applicable Refinitiv Consumer Index when your ARM is impacted by the end of LIBOR.

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## Understanding the Refinitiv USD IBOR Consumer Cash Fallback Index

### How is the Refinitiv USD IBOR Consumer Cash Fallback index different than LIBOR?

According to the LIBOR Act, the Refinitiv Consumer Index is to be considered a replacement that is based on a methodology or information that is similar or comparable to LIBOR, as well as a commercially substantial equivalent to LIBOR and a reasonable, comparable and analogous rate for LIBOR. That said, the Refinitiv Consumer Index is calculated in a manner that is different than LIBOR and may behave differently than LIBOR since it is not designed to represent the rate at which banks in London lend U.S. dollars to one another or otherwise fund themselves. The Refinitiv Consumer Index is derived from a separate index called CME Term SOFR, which in turn is ultimately derived from the Secured Overnight Financing Rate (SOFR). The Refinitiv Consumer Index also reflects an adjustment required by the LIBOR Act to minimize the differences between CME Term SOFR and LIBOR.

### Where will the Refinitiv USD IBOR Consumer Cash Fallback index be published?

The Refinitiv Consumer Index is currently published at [www.refinitiv.com/usdiborconsumercashfallbacks](http://www.refinitiv.com/usdiborconsumercashfallbacks). Due to the way the LIBOR Act requires the Refinitiv Consumer Index to be calculated, the index will only be available in a “prototype” form until LIBOR ceases to be published on June 30, 2023.

### Which of the different Refinitiv Consumer Index rates that appear on Refinitiv’s website apply to my KeyBank ARM?

To determine which Refinitiv consumer Index is relevant to you, please consult your ARM and its definition of “Index”. If your KeyBank ARM currently references 1-year LIBOR as the Index, the relevant Refinitiv Consumer Index rate is the one that appears under the column labeled “12 Month” at [www.refinitiv.com/usdiborconsumercashfallbacks](http://www.refinitiv.com/usdiborconsumercashfallbacks). The relevant date will be dictated by the terms of your KeyBank ARM that concern when and how periodic adjustments are scheduled to occur.

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## Who calculates, administers and publishes the Refinitiv USD IBOR Consumer Cash Fallback index?

Refinitiv Limited ("Refinitiv") is the administrator and publisher of the Refinitiv Consumer Index. At this time, the Refinitiv Consumer Index is published at [www.refinitiv.com/usdiborconsumercashfallbacks](http://www.refinitiv.com/usdiborconsumercashfallbacks). In the future it may be published in financial newspapers and other sources.

## Do I need to take any action to make sure that the Refinitiv USD IBOR Consumer Cash Fallback index is used when LIBOR is no longer available?

For KeyBank ARMs, there is nothing you need to do regarding this transition. The notice you received from KeyBank early in 2023, stating that we selected the Refinitiv Consumer Index as the replacement for LIBOR, had the effect of ensuring that interest and payments due on your KeyBank ARM will continue to be calculated once LIBOR is no longer available.

## When will you start to use the Refinitiv Consumer Index to calculate interest due on my KeyBank ARM?

It depends on the status and terms of your KeyBank ARM. If your KeyBank ARM is currently in its fixed rate period, your interest rate will not change until it is scheduled to do so pursuant to the terms of your KeyBank ARM. When we send you your initial interest rate adjustment disclosure, it will reference the applicable Refinitiv Consumer Index, which will then be used to calculate your new interest rate and future payment amounts at the appropriate time. If your KeyBank ARM already experienced its initial interest rate adjustment, then you should expect future ongoing interest rate adjustment disclosures that we send to reference and use the applicable Refinitiv Consumer Index when your ARM is impacted by the end of LIBOR. In some limited instances we may continue to use LIBOR after June 30, 2023, if the terms of your KeyBank ARM require us to calculate interest rates and payments based on historical LIBOR data published prior to June 30, 2023.

## To avoid transitioning to the Refinitiv Consumer Index, can I repay my KeyBank ARM early without penalty?

Yes, you may pay off or refinance your KeyBank ARM without penalty. If you would like an alternative to the changes to your interest rate and payment, the following options may be possible, subject to lender approval:

- a. Refinance your loan to a fixed- or adjustable-rate loan that already uses a non-LIBOR index.
- b. Sell your home and use the proceeds to pay off your current loan.
- c. Modify your loan terms with us.
- d. Request payment forbearance to temporarily gain more time to pay your monthly payment.

## Are the terms of my KeyBank ARM changing as a result of LIBOR no longer being available?

Pursuant to the terms of your contract, using the authority provided by the LIBOR Act, KeyBank has selected the Refinitiv Consumer Index to be used when LIBOR is no longer available. Thus, the index to be used after the end of your fixed rate period will be different than what is identified in your KeyBank ARM. In addition, pursuant to the LIBOR Act, the Federal Reserve determined that certain benchmark replacement conforming changes would address issues arising from the selection and use of the Refinitiv Consumer Index. These benchmark replacement conforming changes became an integral part of your KeyBank ARM when KeyBank selected the Refinitiv Consumer Index.

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## What are the benchmark replacement conforming changes made to my KeyBank ARM?

The Federal Reserve has specified several benchmark replacement conforming changes, including two that may be relevant to your KeyBank ARM: (1) replacing any reference to a source like the *Wall Street Journal* with a reference to the Refinitiv website or other source where the Refinitiv Consumer Index may be published; and (2) clarifying that if the Refinitiv Consumer Index is not available or published on a particular relevant date, the parties shall use the most recently available publication of the Refinitiv Consumer Index to calculate interest and payments.

## Will using the Refinitiv Consumer Index result in a change to my KeyBank ARM payment?

So long as your KeyBank ARM is in its fixed rate period, the selection of the Refinitiv Consumer Index as the index to be used when LIBOR is no longer available will not change your KeyBank ARM payment amount. If your fixed rate period is over or ends, the use of the Refinitiv Consumer Index may or may not result in a payment amount that is different than what would have resulted had LIBOR continued to be made available.

## Will the margin for my KeyBank ARM change because of LIBOR no longer being available?

No. The margin for your KeyBank ARM will not change as a result of LIBOR no longer being available or KeyBank's selection of the Refinitiv Consumer Index as the replacement for LIBOR.

## My KeyBank ARM is still in its fixed-rate period. Will my fixed-rate period end when LIBOR is no longer available?

The terms of your KeyBank ARM, defining your fixed-rate period, have not changed as a result of LIBOR ceasing to be published.

## What if I have additional questions regarding this change and my KeyBank ARM?

We're here for you and happy to help. Call Mortgage Customer Services at 1-800-422-2442 (Monday – Friday from 8:30 a.m. – 8:00 p.m. ET) or TTD/TTY device, use 1-800-539-8336.