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June 6, 2022

Ms. Hillary Salo
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Via Email to director@fasb.org

Re: File Reference No. 2022-001

Dear Ms. Salo:

Grant Thornton LLP appreciates the opportunity to comment on Proposed Accounting Standards Update (ASU), *Deferral of the Sunset Date of Topic 848 and Amendments to the Definition of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap Rate*.

We appreciate the Board's continued attention and responsiveness to reference rate reform transition issues, and we agree with the Board's tentative decisions to

- Defer the sunset date of Topic 848 to December 31, 2024, and
- Amend the definition of *Secured Overnight Financing Rate (SOFR) Overnight Index Swap Rate* to include rates based on SOFR.

We believe that the proposed amendments clarify that other rates based on SOFR, including SOFR term, are within the scope of the revised definition of *Secured Overnight Financing Rate (SOFR) Swap Rate*.

However, we believe that the definition's prohibition of an "additional spread" should reference the rate based on SOFR, rather than SOFR itself, as follows:

The fixed rate on a U.S. dollar, constant-notional interest rate swap that has its variable-rate leg referenced to a rate based on the Secured Overnight Financing Rate (SOFR) ~~(an overnight rate)~~ with no additional spread over the rate based on SOFR on that variable-rate leg. ...

We agree with the proposed transition guidance and effective date.



If you have any questions, please contact Ryan Brady, Partner, at ryan.brady@us.gt.com or 312.602.8741.

Sincerely,

/s/ Grant Thornton LLP