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

File Reference No. 2022-001

Dear Ms. Salo:

RSM US LLP is pleased to provide feedback on the Financial Accounting Standards Board's (FASB or Board) proposed Accounting Standards Update, *Reference Rate Reform (Topic 848) and Derivatives and Hedging (Topic 815): 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 FASB's efforts in actively monitoring global reference rate reform initiatives, including the effects of such initiatives on financial reporting. Further, we support the Board's efforts to facilitate the transition away from LIBOR and other reference rates by deferring the sunset date in Topic 848.

We also support the proposed amendments to the Master Glossary definition of *Secured Overnight Financing Rate (SOFR) Swap Rate*. However, we suggest that an additional edit to that definition (shown in bold font below) would further clarify that a SOFR term rate also would qualify as a U.S. benchmark interest rate under Topic 815.

The fixed rate on a U.S. dollar, constant-notional interest rate swap that has its variable-rate leg referenced to a rate (**overnight or term**) based on the Secured Overnight Financing Rate (SOFR) with no additional spread over SOFR on that variable-rate leg. That fixed rate is the derived rate that would result in the swap having a zero fair value at inception because the present value of fixed cash flows, based on that rate, equates to the present value of the variable cash flows.

We would be pleased to respond to any questions the Board or its staff may have concerning our comments and ask that questions be directed to Mike Gaiso at 212.372.1709 or Joseph Cascio at 212.372.1139.

Sincerely,

RSM US LLP

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