

News Release

Farm Credit Administration
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FCA Board Issues Interim Final Rule to Remove Requirements Related to Nonbinding, Advisory Votes

McLEAN, Va., March 13, 2014 — The Farm Credit Administration Board today approved an interim final rule to remove all requirements related to nonbinding, advisory votes at Farm Credit System (System) institutions.

FCA is taking this action after review of, and in response to, provisions of Title VI of the Consolidated Appropriations Act of 2014, which became law in January. Title VI prohibits FCA from using fiscal year 2014 funds to implement or enforce a requirement for System institutions to hold advisory votes.

Also, the Congressional Findings in section 5404 of the Agricultural Act of 2014 required FCA to review its rules to reflect congressional intent for the oversight of compensation practices to be a primary responsibility, and therefore accountability, of System institutions' boards of directors to their stockholders.

The interim final rule removes only the requirements related to nonbinding, advisory votes. The remaining provisions of [77 FR 60582](#) (enhanced transparency of compensation disclosures for CEOs and senior officers, the enhanced responsibilities of the compensation committee of the board of directors, and certain notice provisions) continue to be effective.

FCA's interim final rule will become effective 30 days after publication in the Federal Register during which either body of Congress is in session.

Report on the System's Funding Conditions

In other business, the Board received a report on the Farm Credit System's funding conditions. The report discussed factors affecting investor confidence, as well as trends in the overall agency debt market of which System debt is a growing component.

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The report explained how these factors, including the System's financial performance, have affected the cost of its debt and its ability to issue debt. It discussed the System's interest rate spreads and debt maturities. The report also described the current liquidity position of each of the System's four banks, as well as the liquidity position of the System as a whole.

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The Farm Credit Administration is the safety and soundness regulator of the cooperative Farm Credit System and the Federal Agricultural Mortgage Corporation (Farmer Mac). FCA charters, regulates, and examines the 89 banks, associations, service corporations and special-purpose entities of the Farm Credit System. The System makes loans to agricultural producers and their cooperatives nationwide. It includes Farmer Mac, which provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. Members of the FCA Board are Jill Long Thompson, Board Chair and CEO; Kenneth A. Spearman; and Leland A. Strom.

Note: FCA news releases are available on the Web at www.fca.gov.