

News Release

Farm Credit Administration
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For Immediate Release

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FCA Board Approves Proposed Rule Governing Compensation Disclosures

McLEAN, Va., Oct. 9, 2014 — The Farm Credit Administration Board approved a proposed rule governing Farm Credit System (System) compensation disclosures to shareholders and investors. The proposed rule would exclude certain employees from the current reporting requirement.

The current rule requires each System institution to include a compensation table in its disclosures to shareholders. The table discloses the names and compensation amounts of all senior officers and any other employees who are among the five most highly compensated employees at the institution during the reporting period.

However, under the current rule, a midlevel employee who is not otherwise among an institution's five most highly compensated employees might receive a one-time or lump-sum pension payment at the end of his or her career, briefly making him or her among the top five most highly compensated. This could cause an individual to drop off the list who, under normal circumstances, would be considered among the institution's most highly compensated.

To guard against this unintended consequence, the proposed rule would exclude from this requirement any employee who, without payments related to his or her pension plan, would not be considered among the top five most highly compensated employees. The exclusion would apply only if the individual's pension plan was "available to all similarly situated employees on the same basis."

Following a 30-day period for congressional review, the proposed rule will be published in the Federal Register for a 30-day comment period. Comments for the proposed rule may be submitted by electronic mail to reg-comm@fca.gov, through the Pending Regulations section of FCA's website at www.fca.gov, or through the federal government Web portal at www.regulations.gov.

Comments also may be sent by mail to Barry Mardock, Deputy Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090. The public may read submitted comments at the FCA office in McLean, Virginia, or on FCA's website at www.fca.gov.

Notational Votes Terminating Enforcement Actions

Since the Sept. 11 FCA Board meeting, three notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings.

In separate notational votes on Sept. 16, the Board voted to terminate written agreements between FCA and three System institutions—all Agricultural Credit Associations. The agreements related to supervisory actions that FCA took on April 20, 2011; June 15, 2012; and Oct. 11, 2012, in accordance with section 5.25 of the Farm Credit Act. In one case, FCA also terminated Supervisory Conditions of Merger dated January 1, 2011.

FCA determined that the weaknesses in each association that necessitated the written agreements have been effectively addressed.

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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 88 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.