

News Release

Farm Credit Administration
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For Immediate Release
NR 15-13 (08-13-15)

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FCA Board Adopts Final Rule on Mergers and Consolidations

McLEAN, Va., August 13, 2015 — At its monthly meeting today, the Farm Credit Administration Board adopted a final rule to modify FCA regulations related to the mergers, consolidations, and charter amendments of Farm Credit System (System) banks and associations.

The final rule updates requirements for merger or charter amendment requests, clarifies the FCA review process for these requests, and clarifies the reconsideration process for merger votes.

The rule was proposed in January 2015 and was open for comment for 90 days. FCA received three comment letters on the proposed rule and, in response, made two adjustments—to clarify FCA's authorities to amend a charter without an application from the institution and to clarify that FCA will only require stockholder informational meetings on a case-by-case basis.

The final rule will become effective 30 days after publication in the Federal Register during which either body of Congress is in session. Notice of the effective date will be published in the Federal Register.

Closed Session

During the closed session, the Board received a quarterly report from the Office of Secondary Market Oversight.

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Notational Votes

Since the July 8 FCA Board meeting, one notational vote has occurred. Notational votes are actions taken by the FCA Board between Board meetings.

- On Aug. 7, the FCA Board voted to approve the request of Farm Credit of New Mexico, ACA, to organize a limited liability company to provide information technology services and products to Farm Credit of New Mexico and to other System institutions. FCA's approval is subject to certain conditions.

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The Farm Credit Administration is the safety and soundness regulator of the Farm Credit System. The System consists of two Government-sponsored enterprises—a nationwide network of cooperative banks and associations established in 1916, and a secondary market entity known as the Federal Agricultural Mortgage Corporation (Farmer Mac) that was established in 1988. The System's borrower-owned banks and associations provide credit to farmers, ranchers, residents of rural communities, agricultural and rural utility cooperatives, and other eligible and creditworthy borrowers. Farmer Mac provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. Members of the FCA Board are Kenneth A. Spearman, Board Chairman and CEO; Dallas P. Tonsager; and Jeffery S. Hall.

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