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FCA encourages Farm Credit System institutions to work with borrowers affected by COVID-19

McLEAN, Va., March 17, 2020 — The Farm Credit Administration is encouraging Farm Credit System (System) institutions to work with System borrowers whose operations have been affected by COVID-19 and the measures taken to prevent its spread.

The coronavirus is creating extensive disruptions to the economy and American life, and governments, businesses, and the public are taking actions to minimize and mitigate risks. We recognize the pandemic may also create significant stress for System borrowers because of disruptions to employees, markets, transportation, and other factors important to their operations.

“FCA regulations and the solid financial position of System institutions give the institutions considerable flexibility to provide relief to borrowers affected by COVID-19,” says Glen R. Smith, FCA board chairman and CEO. “We encourage institutions to use this flexibility to work with borrowers to lessen any stress and financial burden related to the disease and efforts to contain it.”

System institutions can help alleviate stress for borrowers affected by COVID-19 in several ways:

- Extending the terms of loan repayments
- Restructuring borrowers’ debt obligations
- Easing some loan documentation or credit-extension terms for new loans to certain borrowers

In addition to affecting System borrowers, the virus may also create challenges for System employees and institutions. These challenges may impair the institutions’ ability to comply in a timely way with regulatory or reporting requirements. FCA may be able to grant temporary relief in some circumstances that would alleviate these challenges without weakening safety and soundness.

FCA encourages any System institution that needs temporary relief from these requirements to contact David Grahn, director of the agency's Office of Regulatory Policy, at 703-883-4145.

FCA's board policy statement PS-71, [Disaster Relief Efforts by Farm Credit System Institutions](#), provides additional information that may help System institutions respond to the impacts of the virus on their operations.

To learn more about COVID-19, please consult the [website of the Centers for Disease Control and Prevention](#).

During these challenging times, we wish the best for System staff and borrowers.

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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. FCA news releases are available on the web at www.fca.gov.