



For Immediate Release

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Contact: Mike Stokke or Emily Yaghmour,
703-883-4056

Email: info-line@fca.gov

FCA board receives presentation on small association outreach

McLEAN, Va., Oct. 14, 2021 — At its monthly meeting today, the Farm Credit Administration board received a presentation on the agency's small association outreach. The board also voted to extend the comment period on a proposed rule.

Presentation on small association outreach

One of the priorities of the FCA board is to assess how the needs and challenges of small associations differ from those of large associations and to adopt policies that are appropriate for all stakeholders and are consistent with cooperative principles. To address this priority, FCA reached out to request input from small associations on the following topics:

- The role they play in the cooperative structure of the Farm Credit System
- Their mission achievement
- The unique challenges they face

Today the FCA board received a presentation on the responses the agency received to its outreach efforts. The presentation described some of the challenges that small associations face. Obtaining services — in particular, IT services — can be costly and difficult. Also, regulatory and examination compliance can be challenging because of time and resource constraints.

These challenges can make it difficult for small associations to grow their business and expand credit offerings to their customer base. The board is now considering next steps. For more information, see the board statements of [Board Member Jeff Hall \(PDF\)](#) and [Chairman Glen Smith \(PDF\)](#).

Comment period extension

In other business, the board voted to extend the comment period on a proposed rule that would amend the agency's tier 1/tier 2 capital framework to define and establish a risk weight for high-volatility commercial real estate exposures.

Originally approved in July, the proposed rule would ensure that FCA's capital rule remains comparable with the capital rules of the federal banking regulatory agencies. It would also ensure that FCA's capital rule recognizes the increased risk posed by high-volatility commercial real estate exposures.

The comment period has been extended from Nov. 24, 2021, to Jan. 24, 2022. The 61-day extension will give commenters additional time to provide more comprehensive feedback. The extension will also prevent an overlap with the comment period of another complex FCA rulemaking.

The public may submit comments on proposed rules and notices by electronic mail to reg-comm@fca.gov or through the [public comment form](#) on FCA's website. The public may also submit comments by mail to Kevin Kramp, Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090.

Closed session

During the closed session, the FCA board received a periodic report from the Office of Secondary Market Oversight.

Notational votes

Since the Sept. 9 FCA board meeting, four notational votes have occurred. Notational votes are actions the FCA board takes between board meetings.

On Sept. 21, the board determined not to object to the proposed offering circular of AgTexas Farm Credit Services for the issuance of up to \$80 million in preferred stock.

On Oct. 1, the FCA board approved the Office of Examination's oversight and examination plan for fiscal year 2022. In a separate vote, the board also approved the Office of Secondary Market Oversight's operating and oversight plan for fiscal year 2022.

On Oct. 5, the board voted to appoint Ashley Waldron to the position of secretary to the board.

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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), which 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.