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FCA assesses civil money penalty for violations of standards of conduct regulations

McLEAN, Va., Nov. 9, 2022 — On Oct. 12, the Farm Credit Administration entered into a consent civil money penalty order with a former member of a Farm Credit System (System) institution board of directors. This order's execution, and the resulting payment, resolved proceedings to assess a civil money penalty against the individual.

FCA pursued this civil money penalty action because the former director violated FCA's standards of conduct regulations regarding the disclosure of confidential information received during an executive session meeting with FCA. At the time of the civil money penalty action, the director had already resigned from the institution's board.

The Agriculture Improvement Act of 2018 expanded FCA's enforcement authorities by giving the agency jurisdiction over any party formerly affiliated with a System institution for up to six years after the party's separation from the institution. This expanded jurisdiction gives FCA greater ability to ensure the safety and soundness of the System by using its enforcement authorities in appropriate circumstances, regardless of whether an individual has resigned from or been terminated by a System institution.

As the agency's action in this case shows, FCA takes standards of conduct very seriously and expects the System and its directors and employees to adhere to all provisions of the Farm Credit Act and FCA regulations. The goal is to ensure high standards of honesty, integrity, impartiality, and conduct in the performance of System business. These high standards allow continued public confidence in the System and each of its institutions.

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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.