

Farm Credit Administration

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INFORMATIONAL MEMORANDUM



November 6, 2015

To: Chief Executive Officer
All Farm Credit System Institutions

From: Samuel R. Coleman, Director and Chief Examiner
Office of Examination

Subject: Compliance with Section 4.38 of the Farm Credit Act – Affirmative Action

The purpose of this Informational Memorandum is to clarify compliance with Section 4.38 of the Farm Credit Act of 1971, as amended (Act). Section 4.38 of the Act requires Farm Credit System (System) institutions with more than 20 employees to “establish and maintain an affirmative action program (AAP) plan that applies the affirmative action standards otherwise applied to contractors of the Federal government.” [FCA's Examination Manual](#) explains that we evaluate an institution's AAP plan using the substantive standards in the Department of Labor's Office of Federal Contract Compliance Programs Regulations under [Title 41 CFR Part 60-2](#) as criteria.

Additional substantive affirmative action standards applicable to Federal government contractors are found at Title 41 CFR Parts [60-300](#) and [60-741](#). These standards relate to employing protected veterans and individuals with disabilities, respectively, and were effective March 24, 2014. The AAP plans of System institutions subject to Section 4.38 must apply the substantive standards set forth in these regulations.

The FCA intends to update its Examination Manual to include guidance about application of these standards. In the meantime, FCA's Office of Examination will evaluate the good faith efforts of System institutions to apply these standards.

If you have any questions about this Informational Memorandum, please contact Jennifer A. Cohn, Senior Counsel, Office of General Counsel, at (703) 883-4028, or by email at cohnj@fca.gov; or Dan Fennewald, Director, Examination Policy Division, Office of Examination, at (952) 259-0432, or by email at fennewaldd@fca.gov.