

News Release

Farm Credit Administration
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For Immediate Release
NR 15-09 (05-14-15)

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FCA Board Adopts Final Rule on Stockholder Voting Procedures

McLEAN, Va., May 14, 2015 — At its monthly meeting today, the Farm Credit Administration Board approved a final rule to amend FCA regulations regarding stockholder voting policies and procedures at Farm Credit System (System) institutions.

System institutions must ensure the confidentiality of all information regarding how or whether an individual stockholder has voted. The final rule clarifies that, as long as an institution takes measures to maintain this confidentiality, it may use a tellers committee consisting of voting stockholders to tabulate ballots. The institution may also authorize a small number of its administrative employees to help verify stockholder eligibility to vote.

Allowing institutions to use a tellers committee consisting of voting stockholders offers two advantages. First, it removes the cost of having to hire an independent third party to tabulate votes. Second, it encourages stockholder participation in the governance of the organization, which is a core principle of the cooperative business model.

To ensure the confidentiality of votes, the proposed rule would require those involved in tabulating votes or verifying voter eligibility to sign certifications that they will protect the confidentiality of the voting process. In addition, if an institution uses a tellers committee, the process of verifying voter eligibility must be separate from the process of tabulating ballots.

The rule was proposed in August 2014. FCA received three comment letters on the proposed rule and, in response, made one adjustment—to clarify that voter eligibility may be verified *before* the votes are tabulated.

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.

Reports

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

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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.