

## News Release

Farm Credit Administration  
1501 Farm Credit Drive  
McLean, Virginia 22102-5090

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**For Immediate Release**  
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### **FCA Board Approves Proposed Amendments to Termination Regulations**

McLEAN, Va., December 8, 2005 — The Farm Credit Administration (FCA or Agency) Board today approved a proposed rule that would amend regulations under which a Farm Credit System (FCS or System) bank or association may terminate its FCS status and become a financial institution under another Federal or state chartering authority.

The Agricultural Credit Act of 1987 amended the Farm Credit Act of 1971 to permit System institutions to terminate their FCS status and become another type of financial institution. The current termination regulations were published on April 12, 2002.

FCA has determined that certain revisions to the regulations would ensure FCA, the institution's board of directors, and stockholders have sufficient time and information to deliberate whether or not to terminate FCS status.

The most significant regulatory change would be to separate FCA's review of stockholder disclosure information from its review of the termination itself. The latter review would occur after a stockholder vote approving the termination.

The proposed rule would also amend the existing regulation in the areas of: communication with stockholders, special analyses and studies, director protection, quorum requirements, and FCA's reasons for disapproving a termination. A fact sheet more fully describing the proposed changes is available on FCA's Web site at [www.fca.gov](http://www.fca.gov). (Click on News and Events, then News Releases, then 2005, then 12/08/2005. A PDF of the fact sheet is attached at the bottom of the news release text.)

The proposed rule will be published in the *Federal Register* for a 60-day comment period. Comments may be submitted by electronic mail to [reg-comm@fca.gov](mailto:reg-comm@fca.gov), through the Pending Regulations section of FCA's Web site at [www.fca.gov](http://www.fca.gov), or through the Federal government Web portal at [www.regulations.gov](http://www.regulations.gov).

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Comments also may be sent by mail to Gary K. Van Meter, Deputy Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090, or by fax to 703-734-5784. Comments received may be reviewed at the FCA office in McLean, Virginia, or through FCA's Web site at [www.fca.gov](http://www.fca.gov).

In other business, the FCA Board received a report from the Agency's Office of Examination on the financial condition of the FCS as of September 30, 2005. The report showed that the overall financial condition and performance of the FCS is fundamentally sound. The System's capital levels are at a record high, and the quality of loan assets, risk-bearing capacity, and earnings and capital measures have all increased since September 30, 2004. The report also provided an overview of Hurricane Wilma's impact on southern Florida agriculture.

Since the November 8 FCA Board meeting, one substantive notational vote has occurred. Notational votes are actions taken by the FCA Board between Board meetings, usually to meet statutory time limits. The FCA Board authorized Farm Credit Services of America, ACA to acquire and hold a \$3 million equity investment in Renewable Energy Fund I, L.P. as a mission-related investment.

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The Farm Credit Administration is the safety and soundness regulator of the cooperative Farm Credit System. FCA charters, regulates, and examines the 109 banks, associations, and service corporations of the System. System institutions make loans to agricultural producers and their cooperatives nationwide. Members of the FCA Board are Nancy C. Pellett, Chairman and CEO, Douglas L. "Doug" Flory, and Dallas P. Tonsager.

Note: FCA news releases are available on the Internet. Access the FCA Home Page at [www.fca.gov](http://www.fca.gov).