

News Release

Farm Credit Administration
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FCA Board Approves Final Rule on Director Elections

McLEAN, Va., March 11, 2010 — The Farm Credit Administration (FCA) Board today approved a final rule on director elections for Farm Credit System institutions. The purpose of this rule is to strengthen stockholder involvement in the management, ownership, and control of System institutions by increasing stockholder participation in the director election process.

The final rule would amend FCA regulations at Parts 611, 615, and 620 to revise Farm Credit bank and association director election and voting rules. The rule contains requirements associated with holding stockholder meetings, clarifying the duties of nominating committees, and making and accepting floor nominations. The rule also enhances annual meeting and election notices to stockholders.

The rule was proposed in April 2009, and the comment period was extended until August 14. FCA received 96 comment letters.

The final rule will be 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.

Report

In other business, the Board heard a quarterly report by the Office of Management Services. According to the report, spending levels are on target as of the first quarter of fiscal year 2010, and the projected staffing levels will not be exceeded. The report also provided updates on staff recruiting efforts, as well as details about current technology projects and an upcoming continuity exercise to evaluate the agency's ability to perform mission-essential functions in an emergency.

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Notational Votes

Since the February 24, 2010, FCA Board meeting, two notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings.

1. On February 25, the Board approved Regulatory Enforcement Committee recommendation 10-03 to pursue a formal supervisory action concerning an FCS institution.
2. On March 5, the Board voted to amend FCA Board Policy Statement 64, "Rules for the Transaction of Business of the Farm Credit Administration Board" and to publish the amended policy in the Federal Register. The amendment is intended to support the agency's interest in maintaining a full complement of Board Members.

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The Farm Credit Administration is the safety and soundness regulator of the cooperative Farm Credit System and the Federal Agricultural Mortgage Corporation (Farmer Mac). FCA charters, regulates, and examines the 99 banks, associations, and service corporations of the Farm Credit System, which makes loans to agricultural producers and their cooperatives nationwide. FCA also examines and regulates Farmer Mac, which provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. Members of the FCA Board are Leland A. Strom, Chairman and CEO; Nancy C. Pellett; and Kenneth A. Spearman.

Note: FCA news releases are available on the Web at www.fca.gov.