News Release

Farm Credit Administration
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FCA Board Adopts Proposed Rule on Investment Management

McLEAN, Va., July 14, 2011 — The Farm Credit Administration (FCA or agency) Board today adopted a proposed rule to strengthen regulations governing investment management, interest rate risk management, and association investments. The proposed rule also would revise the list of eligible investments to ensure that only high-quality, liquid investments are included. In addition, the rule would reduce regulatory burden for investments that fail to meet eligibility criteria after purchase.

The proposed rule would strengthen the safety and soundness of Farm Credit System (FCS or System) institutions and enhance their ability to supply credit to agriculture and aquatic producers by ensuring adequate availability of funds. In addition, through this proposed rule, FCA seeks input on ways other than credit ratings to determine creditworthiness for eligible investments purchased by System institutions. The Dodd-Frank Wall Street Reform and Consumer Protection Act requires agencies to review their regulations for references to credit ratings and to substitute other appropriate standards of creditworthiness.

Following a 30-day period for congressional review, the proposed rule will be published in the Federal Register for a 90-day comment period. Comments for the proposed rule may be submitted by electronic mail to reg-comm@fca.gov, through the Pending Regulations section of FCA's Web site at www.fca.gov, or through the federal government Web portal at www.regulations.gov. Comments also may be sent by mail to Gary K. Van Meter, Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090. The public may read submitted comments at the FCA office in McLean, Va., or on FCA's website at www.fca.gov.

Notational Votes

Since the June 9, 2011, FCA Board meeting, three notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings.

- On June 21, the FCA Board voted to extend the comment period to July 11 on a proposed rule to establish margin and capital requirements for swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The rule was issued jointly with other federal financial regulatory agencies.
- On June 22, the FCA Board approved the appointment of Gary K. Van Meter as Director of the Office of Regulatory Policy.
- On July 8, the FCA Board approved revisions to Policy Statement Numbers 37, 41, 44, 53, 59, 62, 64, 65, 68, 71, 72, 77, 78, and 79. The revisions were made to comply with Policy Statement No. 64, which requires that all Board policy statements be reviewed at least once every five years. The majority of the revisions were to make technical, grammatical, or syntactical corrections. A few revisions added clarity to policy statements. Other revisions were needed to incorporate changes required by new laws and changes in the functional statement of operations for some FCA offices. All FCA Board Policy Statements are available to the public on the FCA website in the FCA Handbook, which can be accessed through Quick Links.

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