

News Release

Farm Credit Administration
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**FCA Board Issues Advance Notice of Proposed Rulemaking
on Farmer Mac Standards of Conduct, Approves Spring 2014 Unified Agenda**

McLEAN, Va., Feb. 18, 2014 — The Farm Credit Administration Board today approved an advance notice of proposed rulemaking to solicit comments on possible regulatory changes related to board governance and standards of conduct at the Federal Agricultural Mortgage Corporation (Farmer Mac). The notice asks for public input on a series of questions related to three topics: nomination of directors, fiduciary responsibilities, and risk governance.

An advance notice of proposed rulemaking is a preliminary notice announcing that an agency is considering a regulatory action. Taking into consideration the comments received, FCA may develop a proposed rule on Farmer Mac board governance and standards of conduct.

The notice will be published in the Federal Register, and the comment period is open for 60 days from the date of publication.

The public may submit comments by electronic mail to reg-comm@fca.gov, through the [Pending Regulations section](#) of FCA's website at www.fca.gov, or through the federal government Web portal at www.regulations.gov. The public may also submit comments by mail to Laurie A. Rea, Director, Office of Secondary Market Oversight, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090.

To read submitted comments, go to the [Public Comments page](#) on the FCA website or visit the FCA office in McLean, Va.

In other business, the Board approved the abstract of FCA's spring 2014 submission for the Unified Agenda of Federal Regulatory and Deregulatory Actions and the Spring 2014 Regulatory Projects Plan.

FCA's Unified Agenda submission identifies 16 rulemaking items that FCA will consider over the next 12 months.

1. Farmer Mac—Corporate Governance and Standards of Conduct (Advance Notice of Proposed Rulemaking)
2. Margin and Capital Requirements for Noncleared Swaps (Proposed Rule)
3. Capital—Basel 3 (Proposed Rule)

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4. Investment Eligibility (Proposed Rule)
5. Loans in Areas Having Special Flood Hazards (Final Rule)
6. Farmer Mac—Investment Eligibility (Proposed Rule)
7. Revisions to Requirements for Mergers of Banks and Mergers of Associations (Proposed Rule)
8. Institution Stockholder Voting Procedures (Proposed Rule)
9. Regulatory Burden (Final Notice)
10. Farmer Mac—Corporate Governance and Standards of Conduct (Proposed Rule)
11. Margin and Capital Requirements for Noncleared Swaps (Final Rule)
12. Standards of Conduct (Final Rule)
13. Investment Eligibility (Final Rule)
14. Farmer Mac—Investment Eligibility (Final Rule)
15. Capital—Basel 3 (Final Rule)
16. Revisions to Requirements for Mergers of Banks and Mergers of Associations (Final Rule)

The agenda identifies six new projects that are in the beginning of the pre-rule stage:

1. Appraisal Regulations
2. Bank Review of Insider Loans
3. Crop Insurance Sales Compensation
4. Eligibility Criteria for Outside Directors
5. Removal of Stockholder-elected Directors
6. Attribution Rules

It also identifies five actions whose pre-rule review will be completed in 2014:

1. Farmer Mac—Risk-Based Capital Stress Test, Ver. 5.0
2. Financing Farm-Related Service Businesses
3. Amortization Limits—Agricultural Credit Associations and Production Credit Associations
4. Bank/Association Lending Relationship
5. Appraisal Regulations

The agenda identifies nine rulemaking actions FCA has completed since the fall 2013 Unified Agenda was issued:

1. Repeal of Part 610—Registration of Mortgage Loan Originators (Interim Final Rule)
2. Loans in Areas Having Special Flood Hazards (Proposed Rule)
3. Farmer Mac—Liquidity Management (Final Rule)
4. Investments in Rural America (End Review)
5. Farmer Mac—Corporate Governance and Standards of Conduct (End Review)
6. Reports of Accounts and Exposures (Final Rule)
7. Loan Portfolio Data Submissions (End Review)
8. Farmer Mac—Capital Planning (Final Rule)
9. Standards of Conduct (Proposed Rule)

Also, since the last Unified Agenda was published, FCA has withdrawn two rulemaking items—the Rural Community Investments proposed rule and the Association Investments proposed rule.

The information in FCA's submission will be included in the official Unified Regulatory Agenda, which is published semiannually on the Internet at www.reginfo.gov.

The Regulatory Projects Plan shows only the reviews and actions that are projected to occur over the next 12 months, and it is posted on the FCA website at www.fca.gov/law/proj_plan.html.

Report

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

Notational Votes

Since the Jan. 9, FCA Board meeting, the following notational votes have occurred:

1. On Jan. 16, the Board approved FCA's 2014 compensation program.
2. On Feb. 10, the FCA Board voted to remove conditions it had imposed on a System association since the reasons for those conditions no longer exist. The conditions related to the association's preferred stock.
3. On Feb. 14, the FCA Board cleared the revised disclosure statement that American AgCredit, ACA, prepared for its issuance of up to \$500 million in Class H cumulative preferred stock.

Enforcement Actions Terminated

On Jan. 23, 2014, the FCA Board terminated written agreements (supervisory actions) on two Farm Credit System institutions, both Agricultural Credit Associations. These supervisory actions were initiated on March 15 and March 17, 2011, in accordance with the Farm Credit Act, Section 5.25.

To comply with their agreements with FCA, both institutions changed and improved management personnel and improved board governance, operations, asset quality, and financial conditions and performance. FCA determined that each association returned to a safe and sound condition, and the weaknesses that necessitated the written agreement no longer exist.

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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 89 banks, associations, service corporations and special-purpose entities of the Farm Credit System. The System makes loans to agricultural producers and their cooperatives nationwide. It includes 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 Jill Long Thompson, Board Chair and CEO; Kenneth A. Spearman; and Leland A. Strom.

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