



For Immediate Release

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FCA Board Approves Proposed Rule to Modify Regulatory Capital Requirements

McLEAN, Va., May 8, 2014 — The Farm Credit Administration Board today approved a proposed rule to modify the regulatory capital requirements for Farm Credit System (System) banks and associations.

The objectives of the proposed rule are as follows:

- To modernize capital requirements while ensuring that institutions continue to hold sufficient regulatory capital to fulfill their mission as a government-sponsored enterprise.
- To ensure that the System's capital requirements are comparable to the Basel III framework and the standardized approach that the federal banking regulatory agencies have adopted, but also to ensure that the rules recognize the cooperative structure and the organization of the System.
- To make System regulatory capital requirements more transparent.
- To meet the requirements of section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Following a period of technical, nonsubstantive formatting and preparation of the rule for publication and a 30-day period for congressional review, the proposed rule will be published in the Federal Register for a 120-day comment period. 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 Barry F. Mardock, Deputy 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.

For more information about the proposed rule, see the [related fact sheet](#).

Reports

In other business, the Board received an update report from the ethics staff that reviewed recent accomplishments in the ethics program and addressed the program's strategic priorities for the 2014 fiscal year.

The Board also heard an auditors' report on the 2013 financial statements of the FCS Building Association. Cherry Bekaert LLP, an independent auditing firm, provided an unqualified (clean) opinion of the Building Association's financial statements for the years ended Dec. 31, 2013 and 2012.

According to the report, the Building Association's financial statements present fairly, in all material respects, the financial position of the FCS Building Association as of Dec. 31, 2013 and 2012, and the results of its operations and its cash flows for those years conformed with accounting principles generally accepted in the United States of America. During a closed executive session, the Board met with the auditors to discuss the audit in greater detail.

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

Notational Votes

Since the April 10 FCA Board meeting, two notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings.

- On April 28, the Board voted not to object to the disclosure documents of CoBank, ACB, for its issuance of up to \$538.25 million in noncumulative perpetual preferred stock.
- On the same date, the Board voted to clear the disclosure documents of Farm Credit of Southern Colorado, ACA, for its issuance of up to \$75 million in Class H preferred stock.

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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.