

News Release

Farm Credit Administration
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For Immediate Release

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FCA Board Approves Fall 2014 Unified Agenda, Regulatory Projects Plan

McLEAN, Va., September 11, 2014 — The Farm Credit Administration Board approved the Fall 2014 Abstract of the Unified Agenda of Federal Regulatory and Deregulatory Actions and the Fall 2014 Regulatory Projects Plan.

FCA's Unified Agenda submission identifies 14 rulemaking items that FCA will consider over the next 12 months.

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

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

1. Crop Insurance Sales Compensation
2. Territorial Concurrence
3. Eligibility Criteria for Directors
4. Removal of Stockholder-Elected Directors
5. Criminal Activity Referrals and Related Internal Controls
6. Director Election Nomination Procedures
7. Attribution Rules

It also identifies eight actions whose pre-rule review will be completed in 2015:

1. Farmer Mac—Risk-Based Capital Stress Test, Version 5.0
2. Amortization Limits—Agricultural Credit Associations and Production Credit Associations
3. Financing Farm-Related Service Businesses
4. Bank/Association Lending Relationship
5. Appraisal Regulations
6. Crop Insurance Sales Compensation
7. Territorial Concurrence
8. Bank Review of Insider Loans

The agenda identifies six rulemaking actions FCA has completed since the spring 2014 Unified Agenda was approved:

1. Farmer Mac—Corporate Governance and Standards of Conduct (Advance Notice of Proposed Rulemaking)
2. Capital—Basel 3 (Proposed Rule)
3. Regulatory Burden (Final Notice)
4. Investment Eligibility (Proposed Rule)
5. Institution Stockholder Voting Procedures (Proposed Rule)
6. Margin and Capital Requirements for Noncleared Swaps (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 on Economic Conditions Affecting Agriculture, Update on System Condition

In other business, the FCA Board today received a quarterly report on significant economic conditions affecting agriculture together with an update on the financial condition and performance of the Farm Credit System (FCS).

Anticipated record corn and soybean production has driven grain prices down sharply. While the protein, dairy and ethanol sectors are benefiting from lower prices, margins are being squeezed for corn and soybean producers. In general, lower crop prices are having a cooling effect on the farmland market.

Although drought in the Plains states has diminished somewhat in recent months, conditions continue to worsen for California, with much of the state experiencing severe to exceptional drought.

The FCS remains financially sound and is well-positioned for the current risk environment. For the first six months of 2014, it reported solid earnings and higher capital levels. Loan portfolio quality continues to be strong, and credit indicators are favorable.

Closed Session

During the closed session, the Board received a quarterly report from the Office of Examination.

Notational Votes

Since the Aug. 14 FCA Board meeting, four notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings.

- On Aug. 20, the FCA Board approved an updated policy statement on equal employment opportunity and diversity. The updated statement is substantially the same as the 2013 policy; all changes were grammatical. Reissuing the statement each fiscal year is a best practice recommended by the Equal Employment Opportunity Commission.
- On Aug. 21, the FCA Board granted preliminary approval to the proposed plan of merger of Great Plains Ag Credit, ACA, and its subsidiaries with and into AgTexas Farm Credit Services, ACA, and its subsidiaries. If the voting stockholders of both associations approve the merger and all requirements for final approval are met, AgTexas and its subsidiaries will be the continuing associations, and the merger will take effect on Jan. 1, 2015.
- On Aug. 26, FCA adopted a proposed rule to establish margin 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 agency issued the proposed rule jointly with the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, and the Office of the Comptroller of the Currency. For more information, see the [Sept. 3 news release](#).

- On Sept. 2, the FCA Board approved the FY 2015 Revised Budget in the amount of \$65,600,000 and the FY 2016 Proposed Budget in the amount of \$69,400,000. The FY 2015 Budget will be funded by a \$54,500,000 assessment, \$10,600,000 of carryover from assessments, and \$500,000 from reimbursable activity.

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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.