

## News Release

Farm Credit Administration  
1501 Farm Credit Drive  
McLean, Virginia 22102-5090

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**For Immediate Release**  
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### **FCA Board Adopts Proposed Rule on Investment Eligibility for Farmer Mac**

McLEAN, Va., Jan. 14, 2016 — The Farm Credit Administration Board today adopted a proposed rule to amend regulations governing the eligibility criteria for nonprogram investments that the Federal Agricultural Mortgage Corporation (Farmer Mac) may hold.

The amendments replace references to credit ratings in the existing regulations with other appropriate standards to measure creditworthiness. Replacing these references is a requirement of the Dodd–Frank Wall Street Reform and Consumer Protection Act.

In response to an advance notice of proposed rulemaking in 2011, FCA received public comments on suitable alternatives to credit ratings issued by nationally recognized statistical rating organizations. The proposed rule takes into account the suggestions provided. For more information about the proposed rule, see the [fact sheet](#).

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](mailto:reg-comm@fca.gov), through the [Pending Regulations](#) section of FCA's website at [www.fca.gov](http://www.fca.gov), or through the federal government Web portal at [regulations.gov](http://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.

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## **Report on FY 2015 Financial Statements**

In other business, the FCA Board heard the auditor's report on the audit of FCA's financial statements as of Sept. 30, 2015 and 2014.

The FCA Inspector General contracted with Harper, Rains, Knight & Company, P.A., an independent accounting firm, to perform the financial audit. The firm issued an unmodified opinion on the agency's financial statements. The firm concluded that the financial statements presented fairly, in all material respects, the financial position of FCA as of Sept. 30, 2015 and 2014, in conformity with generally accepted accounting principles.

In addition, the firm did not identify any deficiencies in internal controls considered to be material weaknesses or any instances of noncompliance or other matters required to be reported. FCA's Inspector General provided oversight of the audit firm's performance, and the review disclosed no instances in which the audit firm did not comply, in all material respects, with auditing standards.

## **Notational Votes**

Since the December FCA Board meeting, the following two notational votes have occurred. Notational votes are actions taken by the FCA Board between board meetings.

- On Dec. 22, the Board approved an Informational Memorandum stating that FCA will not bring an enforcement action against any Farm Credit System institution for accepting a private flood insurance policy in order to satisfy the mandatory purchase requirement for designated loans, provided the institution complies with the requirements in the memorandum.
- Also on Dec. 22, the Board adopted a notational vote on an internal administrative and personnel matter.

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The Farm Credit Administration is the safety and soundness regulator of the Farm Credit System. The System consists of two government-sponsored enterprises—a nationwide network of cooperative banks and associations established in 1916, and a secondary market entity known as the Federal Agricultural Mortgage Corporation (Farmer Mac) that was established in 1988. The System's borrower-owned banks and associations provide credit to farmers, ranchers, residents of rural communities, agricultural and rural utility cooperatives, and other eligible and creditworthy borrowers. Farmer Mac provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. Members of the FCA Board are Kenneth A. Spearman, Board Chairman and CEO; Dallas P. Tonsager; and Jeffery S. Hall.

Note: FCA news releases are available on the Web at [www.fca.gov](http://www.fca.gov).