



For Immediate Release

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FCA Board Approves Third Restated Market Access Agreement, Receives Report on Agency's FY 2016 Financial Statements

McLEAN, Va., Jan. 12, 2017—The Farm Credit Administration board today approved the draft Third Amended and Restated Market Access Agreement (MAA) proposed to be entered into by all Farm Credit System banks and the Federal Farm Credit Banks Funding Corporation.

The draft Third Restated MAA sets forth the rights and responsibilities of each of the parties when the condition of a System bank falls below pre-established financial thresholds.

The revisions consist primarily of removing references to the previous FCA regulatory capital standards and replacing them with references to the new standards, which took effect on Jan. 1. Addresses were also updated in the revised draft.

The draft will be published in the Federal Register. For prior draft amended and restated MAAs, FCA published the draft documents for public comment before approving them, although the agency is not required to publish the drafts for public comment. Because the changes to the draft Third Restated MAA are minor, FCA approved the draft document without requesting comment before approval. The agency, however, will review and consider any comments it receives.

Report on FY 2016 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, 2016 and 2015.

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, 2016 and 2015, in conformity with generally accepted accounting principles.

In addition, the firm did not identify any deficiencies in internal controls considered to be material weaknesses, any instances of noncompliance, or any 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.

Closed Session

During the closed session, the FCA board held an executive meeting with the auditor.

Notational Votes

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

On Dec. 12, the board approved FCA's 2017 compensation and benefits program.

On Dec. 22, the board adopted Bookletter 068, which provides System institutions with additional guidance for implementing the tier1/tier 2 capital framework final rule. The final rule became effective Jan. 1, 2017.

On Jan. 10, the board approved Agstar Agricultural Credit Association's request to invest up to \$2 million in bonds issued by a long-term care facility in Wisconsin. FCA placed conditions on Agstar in conjunction with this investment.

On Jan. 11, the board approved a final rule, which increases the maximum civil money penalties that may be imposed under section 5.32(a) of the Farm Credit Act of 1971, as amended (12 U.S.C. 2268), and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4012a(f)). The final rule is effective Jan. 15, 2017.

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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 Dallas P. Tonsager, Board Chairman and CEO; Jeffery S. Hall; and Kenneth A. Spearman.

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