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## **FCA Encourages Farm Credit System Institutions to Work With Borrowers Affected by Hurricane Harvey**

McLEAN, Va., August 29, 2017 — The Farm Credit Administration is encouraging Farm Credit System (FCS or System) institutions to work with System borrowers who have been affected by Hurricane Harvey.

“System institutions have considerable flexibility under existing FCA regulations to provide disaster relief,” says Dallas P. Tonsager, FCA’s board chairman and CEO. [FCA Board Policy Statement 71](#), which was adopted in 2011, discusses measures that System institutions can take to alleviate the stress of borrowers affected by natural disasters. For example, institutions may

- extend the terms of loan repayments,
- restructure borrowers’ debt obligations,
- ease some loan documentation or credit-extension terms for new loans to certain borrowers, and
- request FCA to grant relief from specific regulatory requirements.

“Measures such as these can help alleviate financial stress for borrowers who have lost crops and who must repair or replace damaged farm equipment and buildings,” says Chairman Tonsager.

In addition to affecting System borrowers, the storm has also affected several association branch offices, which have closed because of the flooding, lack of electrical power, and wind damage. These institutions have implemented their contingency plans and are working to restore their operations as soon as possible.

"Our thoughts are with all those who have been, and are being, impacted by this massive storm," says Chairman Tonsager.

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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, and Jeffery S. Hall.

Note: FCA news releases are available on the web at <http://www.fca.gov>.