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FCA Board Approves Fall 2017 Unified Agenda, Regulatory Projects Plan

McLEAN, Va., Sept. 14, 2017 — The Farm Credit Administration board today approved the abstract of FCA's fall 2017 submission for the Unified Agenda of Federal Regulatory and Deregulatory Actions and the Fall 2017 Regulatory Projects Plan.

FCA plans to take the following rulemaking actions during FY 2018:

1. Farmer Mac – investment eligibility (final rule)
2. Assessment and apportionment of administrative expenses (direct final rule)
3. Investment eligibility (final rule)
4. Eligibility criteria for outside directors (proposed rule)
5. Civil money penalty adjustment (final rule)
6. Standards of conduct (proposed rule)
7. Appraisal regulations (proposed rule)
8. Margin and capital requirements for covered swap entities (proposed and final rules to be issued jointly by FCA and other bank regulators)
9. Borrower rights (proposed rule)
10. Amortization limits – agricultural credit associations and production credit associations (proposed rule)
11. Criteria to reinstate nonaccrual loans (proposed rule)
12. Private flood insurance (final rule to be issued jointly by FCA and other bank regulators)
13. Revisions to tier 1/tier 2 and permanent capital (proposed rule)
14. Regulatory burden (final notice)

The information in FCA's Unified Agenda submission will be included in the official Unified Regulatory Agenda, which is published semiannually on the internet at www.reginfo.gov. Meanwhile, the [Regulatory Projects Plan](#) is available on the FCA website.

Report

In other business, the FCA board received a quarterly report on economic developments affecting the farm economy, together with an update on the financial condition and performance of the Farm Credit System as of June 30.

In USDA's August forecast, net cash income and net farm income are both expected to rise in 2017 after three consecutive down years. Because of high production levels in the United States and abroad, corn and soybean prices are expected to drop slightly. As a result, profit margins for corn and soybean producers remain at or below the breakeven point.

The profitability outlook for most livestock sectors remains favorable because of strong demand and favorable feed costs. Cropland and cash rents are down in most Midwestern states as values adjust to continued low cash grain prices.

For the first six months of 2017, the System reported favorable earnings and higher capital levels. Loan portfolio credit quality remains good although credit stress is intensifying for certain agricultural sectors. Overall, the System continues to be financially safe and sound with substantial risk-bearing capacity.

Notational Votes

Since the Aug. 10 FCA board meeting, the following notational votes have occurred. Notational votes are actions taken by the FCA board between board meetings.

- On Aug. 15, the board voted to authorize the Farm Credit Leasing Services Corporation to purchase interests in titling trusts that are backed solely by eligible motor vehicle leases. The Leasing Corporation plans to use the trusts to shed the burden and expense of state motor retitling rules applicable to eligible leases.
- On Aug. 16, the board voted to extend the date by which AgCountry, ACA, must obtain an attestation report regarding the effectiveness of its internal controls over financial reporting. The date was extended from year-end 2018 to year-end 2019. The FCA board had required the attestation report as a condition of the recent merger involving AgCountry. In another vote on the same day, the board approved a similar extension for Compeer Financial, ACA.
- On Aug. 16, the FCA board approved the request of Compeer Financial, ACA, to redeem certain allocated equities of certain defaulted borrowers. The equities to be redeemed amount to less than \$45,000.
- On Aug. 24, the board approved the request of CoBank, ACB, to purchase up to \$6 million in taxable bonds. The bonds are to be issued by a nonprofit organization that provides community health services in rural Minnesota. The funds will be used to expand a continuous nursing care facility in one rural area and build a new facility in another.
- On Aug. 24, the FCA board reissued policy statement 62, "Equal Employment Opportunity and Diversity." Other than a citation clarification, the statement is unchanged from the version that was issued last year. The agency reissues the statement annually to demonstrate its commitment to EEO and diversity principles.
- On Sept. 6, the board voted to approve the agency's FY 2018 revised budget and its FY 2019 proposed budget.

- On Sept. 8, the FCA board authorized the chief financial officer to reallocate funds within the FCA budget to fund information technology projects directed toward meeting strategic initiatives. The board also authorized the CFO to reclassify and reallocate funds to meet the fiscal year-end accounting needs of the agency.

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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 www.fca.gov.