



For Immediate Release

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FCA encourages Farm Credit System institutions to work with borrowers affected by flooding in the Midwest

McLEAN, Va., March 27, 2019 — The Farm Credit Administration is encouraging Farm Credit System (System) institutions to work with System borrowers who have been affected by the extensive flooding in the Midwest.

The mid-March “bomb cyclone” dropped heavy rain and triggered massive snowmelt, which led to widespread flooding in the Midwest, particularly in Nebraska and Iowa. Known damages include loss of livestock, production facilities, and grain in storage. Also, saturated soil is adversely affecting preparations for spring planting.

System institutions can alleviate stress for borrowers affected by natural disasters in several ways:

- Extending the terms of loan repayments
- Restructuring borrowers’ debt obligations
- Easing some loan documentation or credit-extension terms for new loans to certain borrowers

“FCA regulations and the solid financial position of System institutions offer considerable flexibility in providing disaster relief,” says Dallas P. Tonsager, FCA board chairman and CEO. “We encourage institutions to use this flexibility following disasters like this one to help borrowers get back on their feet.” For more information, see FCA’s [policy statement](#) on disaster relief efforts by Farm Credit System institutions.

In addition to bringing hardship to System borrowers, disasters may also impair the ability of System institutions to comply in a timely way with regulatory reporting and publishing requirements. Institutions should contact the director of FCA’s Office of Examination if they need relief from specific regulatory or reporting requirements.

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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), which 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 Glen R. Smith. Note: FCA news releases are available on the web at www.fca.gov.