



For Immediate Release
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FCA board receives report on transition from LIBOR to SOFR

McLEAN, Va., Oct. 8, 2020 — At its monthly meeting today, the Farm Credit Administration board received a [report \(PDF\)](#) from staff on the development of loan products using the Secured Overnight Financing Rate or SOFR.

The European Financial Conduct Authority and the Bank of England have maintained their assumption that the London Interbank Offered Rate or LIBOR will no longer be available for reference in financial contracts after the end of 2021. Developing alternative loan products is a key aspect of the market-wide effort to transition away from using LIBOR as a benchmark reference rate.

The report focused on key differences between LIBOR and SOFR, and the resulting challenges in building out SOFR-based loan products. The report concluded with a high-level overview of products now on offer or being considered to help facilitate the LIBOR transition within the Farm Credit System.

Closed session

During the closed session, the FCA board received a periodic report from the Office of Secondary Market Oversight.

Notational vote

Since the Sept. 10 FCA board meeting, the following notational vote has occurred. Notational votes are actions taken by the FCA board between board meetings.

On Sept. 29, the FCA board approved the Office of Examination's oversight and examination plan for fiscal year 2021.

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