



For Immediate Release

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FCA encourages Farm Credit System institutions to work with borrowers affected by wildfires in New Mexico, Southwest

McLEAN, Va., May 17, 2022 — The Farm Credit Administration is encouraging Farm Credit System (System) institutions to work with System borrowers who have been affected by recent wildfires and straight-line winds in New Mexico and other areas of the Southwest. Some areas have experienced significant property damage.

Since April 5, dangerous fire conditions have covered all of New Mexico, as well as parts of Texas, Arizona, Nevada, California, and Colorado. According to a May 7 [White House fact sheet](#), the number of acres burned across the United States is approximately 78% above the 10-year average. The National Interagency Fire Center elevated the Southwest region to preparedness level 4 on April 19, the earliest date this has ever occurred, and the center is rushing resources to the area.

System institutions can help alleviate the stress of 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

"Our thoughts are with all those who have been affected by these devastating wildfires and winds," said FCA Board Chairman Glen Smith. "The historic drought conditions in much of the Southwest are exacerbating the situation. I strongly encourage System institutions to use their considerable flexibility to assist borrowers who have experienced losses from these challenging weather conditions."

"Well over a quarter million acres have burned across the state of New Mexico, and thousands of residents have had to evacuate," said FCA Board Member Jeff Hall. "Wildfires and other natural disasters like these disrupt lives in so many ways, including financially. It's important for System institutions to do what they can to help borrowers affected by them."

The agency recognizes that disasters may also impair the ability of 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.

For more information, see [FCA's policy statement on disaster relief efforts by Farm Credit System institutions](#).

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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.
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