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FCA encourages Farm Credit System institutions to work with borrowers affected by recent flooding, heat, and drought

McLEAN, Va., Aug. 5, 2022 — The Farm Credit Administration is encouraging Farm Credit System (System) institutions to work with System borrowers who have been affected recently by flooding, heat, and drought.

Over the past few weeks, floods have impacted parts of Kentucky, Missouri, and several other states, and severe heat and drought have affected much of the country, especially Texas and California. These areas have experienced loss of human life, as well as crop and livestock loss and property damage.

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

"Recent flooding in eastern Kentucky and severe drought in Texas and the Southwest have upended the lives of many of our fellow citizens, and our hearts go out to them," said FCA Board Chairman Glen Smith. "Farmers in these areas have also been affected. I encourage System institutions to use their considerable flexibility to assist borrowers who have experienced losses from these devastating acts of nature."

"The flooding impacted 13 counties in eastern Kentucky," said FCA Board Member Jeff Hall, whose residence is in Louisville, Kentucky. "The death toll in my home state now stands at 37, with many people unaccounted for after a foot of rain fell in eastern Kentucky last week. Homes, businesses, and other structures have been destroyed, and farmers have experienced significant losses. Meanwhile, extreme heat and drought have affected producers in Texas, California, and several other states," he said. "By extending loan repayments and offering other concessions, the System can help these producers get back on their feet more quickly."

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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