



For Immediate Release
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Contact: Mike Stokke or Emily Yaghmour,
703-883-4056
Email: info-line@fca.gov

FCA board approves revised booklet regarding processes for recognizing expected credit losses

MCLEAN, Va., Oct. 14, 2022 — At its monthly meeting yesterday, the Farm Credit Administration board approved a revised [bookletter \(PDF\)](#) that provides guidance on FCA's expectations for an institution's processes for recognizing expected credit losses. Bookletters are documents that communicate the agency's position on specific issues.

The revised bookletter provides guidance to Farm Credit System institutions on the measurement and reporting of expected credit losses on financial assets measured at amortized cost.

The revised bookletter describes the policies, procedures and internal controls that System institutions should have in place to support the determination of expected credit losses and the related allowance for credit losses on financial assets carried at amortized cost. It outlines the respective responsibilities of the board of directors and senior management.

Closed session

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

Notational votes

Since the Sept. 8 FCA board meeting, nine notational votes have occurred. Notational votes are actions the FCA board takes between board meetings.

On Sept. 12, the FCA board approved FCA's revised policy on alternative means of dispute resolution.

Also on Sept. 12, the board approved FCA's revised FY 2023 and proposed FY 2024 budgets.

On Sept. 14, the FCA board voted to authorize the chief financial officer (CFO) to reallocate funds to the Office of Congressional and Public Affairs.

On Sept. 16, the board voted to authorize the CFO to reallocate funds for increased leave liability.

On Sept. 19, the FCA board voted to approve an enhanced compensation and benefits program. It also authorized the chief operating officer to develop procedures and budget reallocations to implement the program.

On Sept. 29, in three separate actions, the FCA board voted to

- authorize the CFO to reallocate funds within the Office of the CFO and within the Office of Information Technology;
- approve the FY 2023 Office of Examination Oversight and Examination Plan; and
- grant preliminary approval for the proposed plan of merger of Cape Fear Farm Credit, ACA, and its wholly owned subsidiaries with and into AgCarolina Farm Credit, ACA, and its wholly owned subsidiaries. The board's preliminary approval is subject to certain conditions.

On Oct. 5, the board voted to grant preliminary approval for the proposed plan of merger of Farm Credit West, ACA, and its wholly owned subsidiaries with and into Northwest Farm Credit Services, an Agricultural Credit Association, and its wholly owned subsidiaries. The continuing association will be renamed AgWest Farm Credit, ACA, with subsidiaries AgWest Farm Credit, PCA, and AgWest Farm Credit, FLCA. The board's preliminary approval is subject to certain conditions.

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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.