



For Immediate Release
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FCA issues advance notice of proposed rulemaking on the regulatory capital framework for Farmer Mac

McLEAN, Va., Jan. 13, 2023 — At its monthly meeting yesterday, the Farm Credit Administration board approved an advance notice of proposed rulemaking to request public comments on whether and how FCA should amend and strengthen the regulatory capital framework for the Federal Agricultural Mortgage Corporation (Farmer Mac).

The purpose of this advance notice of proposed rulemaking is to gather input to promote Farmer Mac's safety and soundness and the continued fulfillment of its role in the rural financial system. This advance notice requests comments on whether and how FCA should revise Farmer Mac capital regulations to align them more closely with the framework of the Basel Committee on Banking Supervision and the capital requirements of other U.S. financial regulators.

The advance notice will be published in the Federal Register for a 60-day comment period. A [prepublication copy \(PDF\)](#) of the advance notice is now available on the FCA website.

Farmer Mac was created in 1988 for the purpose of providing a secondary market for agricultural real estate mortgage loans, rural housing loans, and rural utility loans made by cooperative lenders. A stockholder-owned, federally chartered corporation, Farmer Mac is a government-sponsored enterprise and an institution of the Farm Credit System.

Notational votes

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

On Jan. 10, the board voted to increase the maximum civil money penalties that may be imposed under sections 5.32 (a) of the Farm Credit Act of 1971 (12 U.S.C. 2268) and the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012 a (f)). FCA adjusts these penalties annually.

The three notational votes listed below were taken on Dec. 15.

- The FCA board voted to grant preliminary approval for the proposed plan of merger of Carolina Farm Credit, ACA, and its wholly owned subsidiaries (Carolina Farm Credit, PCA, and Carolina Farm Credit, FLCA) with and into AgSouth Farm Credit, ACA, and its wholly owned subsidiaries (AgSouth Farm Credit, PCA, and AgSouth Farm Credit, FLCA). The board also permitted the continuing association and its subsidiaries to

move their headquarters to Statesville, North Carolina. The board's preliminary approval is subject to certain conditions.

- The FCA board voted to grant preliminary approval for the proposed plan of merger of Farm Credit Midsouth, ACA, and its wholly owned subsidiaries (Farm Credit Midsouth, PCA, and Farm Credit Midsouth, FLCA) with and into Farm Credit Mid-America, ACA, and its wholly owned subsidiaries (Farm Credit Mid-America, PCA, and Farm Credit Mid-America, FLCA). The board's preliminary approval is subject to certain conditions.
- The FCA board authorized the agency's chief financial officer to make an internal reallocation of funds.

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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.