



For Immediate Release
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FCA assesses civil money penalties for regulatory violations

McLEAN, Va., Sept. 25, 2023 — On Aug. 31, the Farm Credit Administration entered into consent civil money penalty orders with two former employees of a Farm Credit System (System) institution. The consent orders and the resulting payments resolved proceedings to assess civil money penalties against the individuals.

FCA brought the civil money penalty actions because of multiple violations of FCA regulations governing standards of conduct and release of information. The former employees took nonpublic System institution documents when they left the System institution to work for a competing organization. One of the former employees also failed to make required standards of conduct disclosures related to an outside personal business and a business relationship with an agent of the institution.

The Agriculture Improvement Act of 2018 expanded FCA's enforcement authorities by giving the agency jurisdiction over former institution-affiliated parties for up to six years after the parties separate from the institution. This expanded jurisdiction gives FCA greater flexibility to ensure the safety and soundness of the System by using its enforcement authorities in appropriate circumstances, regardless of whether an individual has resigned from or been terminated by a System institution.

As the agency's action in this case shows, FCA takes standards of conduct very seriously and expects the System and its employees to adhere to all provisions of the Farm Credit Act and FCA regulations. The goal is to ensure high standards of honesty, integrity, impartiality, and conduct in the performance of System business. These high standards allow continued public confidence in the System and each of its institutions.

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The Farm Credit Administration is the 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.