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Contact: Trevor Reuschel or Emily Yaghmour,
703-883-4056

Email: info-line@fca.gov

FCA board chairman discusses agency priorities at Farm Credit Annual Meeting and announces release of innovation philosophy statement

Washington, Jan. 30, 2024 — In his [remarks \(PDF\)](#) today at the Farm Credit Annual Meeting, Farm Credit Administration Board Chairman and CEO Vincent Logan discussed the priorities of the FCA board for the upcoming year. He also announced the issuance of a new board statement on the agency's philosophy toward innovation.

FCA priorities

Chairman Logan outlined the four priorities that the FCA board has agreed upon to help prepare the agency for the future:

- 1. Ensuring the safety and soundness of the Farm Credit System.** "This must always be FCA's top priority because that's our public mission," said Chairman Logan, "and since good governance is key to maintaining safety and soundness, we will continue to emphasize sound internal controls, robust standards of conduct, and other tools of good governance."
- 2. Preparing for financial innovation.** "As an agency, we must ensure that we have the skills and technologies to fulfill our role as regulator and to serve as a thought-leader in the regulatory community," said the chairman. "We know that many System institutions are looking at how they can use innovation to better serve their customers. As a federal agency, we too are looking at how we can use innovative solutions to make us a more effective regulator."
- 3. Using the principles of diversity, equity, inclusion, and accessibility to strengthen service to ALL creditworthy borrowers.** "Congress created the System in 1916 to meet the credit needs of farmers, ranchers, and the rural communities in which they live," said Chairman Logan. "Supporting the principles of diversity, equity, inclusion, and accessibility (DEIA) can help System institutions achieve that important mission by helping to reach individuals in underserved communities." In his remarks, the chairman noted that FCA is also strengthening its own internal emphasis on DEIA.
- 4. Keeping FCA one of the best places to work in the federal government.** The agency's ability to recruit and retain topnotch employees "gives System institutions greater assurance that the FCA staff who monitor, oversee, and examine your institutions have the skills they need to do the job right," said the chairman. "It gives your investors more confidence in the safety and soundness of their investments,

and it gives Congress and the American people faith that the System is fulfilling its public mission.”

Innovation Philosophy Statement

In his remarks about innovation, Chairman Logan announced the publication of a new [board statement \(PDF\)](#). “Today, the FCA board will be issuing a statement on our innovation philosophy,” he said. The statement lays out the FCA board’s position on innovation in the System and the agency.

Some of the goals of this philosophy are to

- establish open dialogue with System institutions,
- create opportunities to learn more about emerging trends in financial technology, and
- collaborate with other financial regulators.

“The philosophy statement ... recognizes that, just as institutions differ in size and business strategy, your approach to innovation will also differ,” the chairman told the audience of System leaders. “But regardless, you should always center your decisions on the borrower’s experience, sound risk management, support for the System’s mission, and consistency with cooperative principles.”

In addition to assessing the implications of innovation on the System, FCA will be exploring innovative technologies for its own use as a regulator. “We will remain focused on hiring and retaining staff with strong technical skills, and we will invest in their leadership and professional development,” said Chairman Logan. “We will make sure our employees have the skills — technical and otherwise — to oversee and examine the institutions we regulate.”

The innovation philosophy statement was drafted by the agency’s innovation working group, which was established a few months ago to harness the power of innovation to strengthen FCA’s abilities as a regulator. One of the first initiatives of the working group is FCALabs.

FCALabs is “a dedicated hub where experts across the agency can learn from each other, collaborate, and explore new tools, technologies, and approaches in service to our mission,” said Chairman Logan. It “will help us respond to the fast-changing and complex demands the System faces.”

FCA will celebrate its centennial in 2033. Chairman Logan’s address today reflects the vision, priorities, and planning needed to guide the agency as it prepares for its next 100 years. The four agency priorities and the innovation philosophy statement are key elements of that forward-looking strategy.

About the Farm Credit Annual Meeting

The Farm Credit Annual Meeting is sponsored by the Farm Credit Council, the national trade association representing Farm Credit System institutions before Congress, the executive branch, and others. The annual meeting includes representatives from the boards of directors and management teams of the banks and associations that make up the System.

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The Farm Credit Administration is the regulator of the Farm Credit System. The System is the nation's oldest government-sponsored enterprise. It consists of a nationwide network of cooperative banks and associations, which was 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.