



**INDEPENDENT BANKERS
ASSOCIATION OF TEXAS**

1700 RIO GRANDE STREET
SUITE 100
AUSTIN, TEXAS 78701
P: 512.474.6889
F: 512.322.9004
WWW.IBAT.ORG

JOHN W. JAY
IBAT CHAIRMAN
JWJAY@ROSCOEESTATEBANK.COM
ROSCOE STATE BANK, ROSCOE

ROGERS POPE, JR.
IBAT CHAIRMAN-ELECT
RPOPEJR@TEXASBANKANDTRUST.COM
TEXAS BANK AND TRUST, LONGVIEW

DARLA ROOKE
IBAT SECRETARY-TREASURER
DROOKE@JUNCTIONNATIONAL.COM
JUNCTION NATIONAL BANK

MICHAEL R. MOORES
LEADERSHIP DIVISION CHAIRMAN
MMOORES@CNBTexas.COM
CITIZENS NATIONAL BANK,
HENDERSON

WILLARD J. STILL
IBAT EDUCATION FOUNDATION
CHAIRMAN
WSTILL@AMBANKWACO.COM
AMERICAN BANK, N.A., WACO

JAY M. GOBER
IMMEDIATE PAST CHAIRMAN
JGOBER@FSBGRAHAM.COM
FIRST STATE BANK, GRAHAM

CHRISTOPHER L. WILLISTON, CAE
PRESIDENT AND CEO
CWILLISTON@IBAT.ORG

STEPHEN Y. SCURLOCK
EXECUTIVE VICE PRESIDENT
SSCURLOCK@IBAT.ORG

JANE HOLSTIEN
SENIOR VICE PRESIDENT
JHOLSTIEN@IBAT.ORG

URSULA L. JIMENEZ, CAE
SENIOR VICE PRESIDENT
UJIMENEZ@IBAT.ORG

CHRISTOPHER L. WILLISTON, VI, CAE
SENIOR VICE PRESIDENT
CLWILLISTON@IBAT.ORG

CURT NELSON
IBAT SERVICES
PRESIDENT
CNELSON@IBAT.ORG

MARY E. LANGE, CAE
IBAT EDUCATION FOUNDATION
PRESIDENT
MLANGE@IBAT.ORG

JULIE COURTNEY, CAE, CMP
IBAT EDUCATION FOUNDATION
SENIOR VICE PRESIDENT
JCOURTNEY@IBAT.ORG

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Comment emailed to: reg-comm@fca.gov

Mr. Barry F. Mardock
Deputy Director, Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Re: Eligible FCS Investments

Dear Mr. Mardock:

We are writing on behalf of community bankers across the state of Texas. The Independent Bankers Association of Texas has many members involved in agricultural and small business loans.

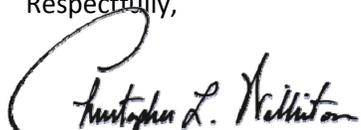
It is reasonable for the Farm Credit Administration to adopt rules to limit the type and amount of investments associations may hold, but it is not reasonable for the FCA to approve investments for purposes beyond the lending constraints of the Farm Credit Act.

The FCA's proposal along with its recent guidance on investments and pilot programs work in tandem to possibly approve investments not authorized by the Act. The FCA should specifically explain the scope and eligibility of potential investments the agency may approve in the future and further explain whether these investments exceed the Act's lending authority. The FCA's proposal fails to specify the scope and eligibility and merely states that it will approve *other investments*.

FCA needs to provide much greater detail on this subject to allow the public an opportunity to actually comment on the investment types FCA intends to approve. Currently, there is no means for the public to determine the breadth of the investment purposes anticipated by the proposed rule. Further, FCA does not specify how it distinguishes between loans and other investments or bonds. The proposal must thoroughly address these issues to avoid the appearance of allowing FCS lenders to make investments that are actually illegal loans.

We request that the FCA withdraw and reissue the proposed rule with an explanation of the investment purposes FCA authorized in the Act that it intends to approve going forward. Additionally, we request that the FCA withdraw the guidance until such time as the rule is finalized. The public deserves this to give it an opportunity to comment on the specific details.

Respectfully,


Christopher L. Williston, CAE
President and CEO