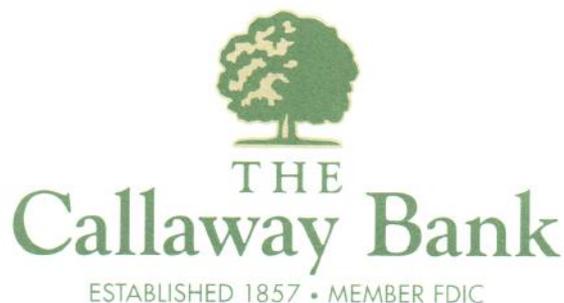


October 22, 2014



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

Re: Eligible FCS Investments

Dear Sir:

I am writing in response to FCA's proposed regulation on eligible investments. I am very concerned that the regulations go far beyond the stated purpose of better risk management policies and modernization policies for your district banks and their Associations' investments.

The regulation states it is to grant "greater flexibility to hold investments for *other risk management purposes*", but those "other" purposes are not defined. Since those purposes are undefined, it would appear that the Associations could be permitted to make and hold non-agricultural loans that are in no way related to agricultural industries. In fact, I am informed that in your own pilot projects, loans were approved to such as manufacturing, apartment complexes, hotels, restaurants and others. Your release states that you "take into consideration the comments we received in response to the earlier rulemaking". If so, I request that you include in your final proposal the number of comments you received that were in favor and the number opposed to these proposals. This information will be useful to those charged with a final decision.

It would appear that types of loans and investments, such as those referred to above, would far exceed the purposes and the intent of the Act. Again, "other" is not defined. It would seem essential that definition be addressed, and specifically to exclude any of the well-known and risky "exotic" investment vehicles as are commonly used by investment bankers and by the "too big to fail" largest banks. Remember 2008!

In light of the above deficiencies in the proposal, I request that your "guidance memo" be withdrawn immediately and if you insist that it be resubmitted, it must be in clear and understandable form, excluding the word "other".

Yours very truly,

O.T. Harris, Chairman

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