



Kerrville's Bank

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October 23, 2014

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

Re: RIN 3052-AC84 – Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations, Investment Eligibility – Federal Register Number 2014-17493 (July 25, 2014).

Dear Deputy Director Murdock:

I would like, on behalf of Guadalupe National Bank, to take this opportunity to comment on the above-styled Farm Credit Administration proposal. First, and most importantly, we believe any amendment to investment or lending authority like the Administration is pursuing here should proceed through actions by Congress as opposed to being accomplished by a regulatory body.

The proposed rule issued by the Farm Credit Administration (FCA) seeks to significantly expand investments held by Farm Credit Banks (FCBs) and Farm Credit Associations (Associations) under the guise of a required review of regulations under section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Section 939A merely requires agencies to review regulations that utilize credit ratings and substitute other appropriate standards for review. This proposed rule goes far beyond that required review and rewrites investment eligibility for Farm Credit System (FCS) institutions.

You should know that our bank supports the position of the Texas Bankers Association. We think both proposal should be withdrawn until there is a clear and compelling reason to make changes and provide Congress the opportunity to thoroughly consider the ramifications of what is being proposed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Early", written over a light green rectangular background.

Kenneth Early  
President & CEO