



Alamogordo
1300 N. White Sands Blvd.
Alamogordo, NM 88310
575-439-9800
FAX: 575-439-1008

October 22nd, 2014

Albuquerque
8110 Ventura NE
Albuquerque, NM 87122
505-821-9854
FAX: 505-821-9855

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

Artesia
303 W. Main St.
Artesia, NM 88210
575-746-8000
FAX: 575-746-9657

Re: Eligible Investments for Farm Credit System Associations and Funding Banks

Chaparral
324 McCombs
Chaparral, NM 88081
575-824-3241
FAX: 575-824-0294

Dear Mr. Mardock:

Hobbs
1220 W. Joe Harvey Blvd.
Hobbs, NM 88240
575-392-9200
FAX: 575-492-0940

Our bank is very concerned about the Farm Credit Administration's (FCA) regulatory proposal to "modernize" (as you put it) investment purposes for Farm Credit System (FCS) entities. I am most concerned this proposal, combined with your recent "guidance memorandum" on investments and pilot projects, is not only confusing but backwards. FCA should withdraw the guidance memo until after this regulation is completed. The combination of the guidance memo and this regulation appear aimed at allowing FCA to approve virtually any type of investment. This is an egregious, self-serving power grab on FCA's part.

Las Cruces - Lohman
2145 E. Lohman Ave.
Las Cruces, NM 88001
575-525-4230
FAX: 575-523-0567

Strict limitations are needed on FCS lenders' investments. FCS entities are GSEs and should focus on loans, not investments. I am concerned FCA is establishing an approval methodology that allows FCS lenders to label as investments what are in effect loans. Please explain how FCA determines the difference between a bond and a loan in terms of eligible investments.

Las Cruces - Mesilla
1553 Avenida de Mesilla
Las Cruces, NM 88004
575-524-8000
FAX: 575-524-8080

Please provide a list of eligible investments. Do you intend to approve non-farm business loans if they are issued as bonds? Do you intend to approve all of the extensions of credit made under the various pilot projects, which are supposedly being withdrawn? Would FCA approve investments in commercial buildings, commercial real estate, shopping malls, movie theatres, apartment complexes, and manufacturers if an FCS lender adequately filled out your September guidance memo and appropriate documents? Is virtually any type of loan eligible if it is considered or labeled as an investment? How does FCA determine what financing activity meets the definition of an investment under the "other investments" category?

Las Cruces - OP Center
223 E. Idaho
Las Cruces, NM 88005
575-647-1804
FAX: 575-525-8785

if FCA does intend to approve these types of "investments" then you did not listen to the thousands of letters from bankers opposing your 2008 proposed rule. The rule states "no investment is ineligible if approved by FCA." Congress did not grant you an "anything goes" approval authority in the law that supersedes the Act's lending authorities.

Lovington
19 W. Washington Ave.
Lovington, NM 88260
575-396-0000
FAX: 575-396-8384

All illegal investments now in FCS portfolios should be divested within six months. Investment portfolios should not exceed 10 percent of loan volumes, even if such volumes decline. Please withdraw the guidance memo and this proposal and reissue this proposal for comment after answering the questions raised above. FCA should not approve investments that exceed to cope of the Act's lending parameters.

Rio Rancho
3002 Southern Blvd SE
Rio Rancho, NM 87124
505-798-1137
FAX: 505-896-3680

Sincerely,

Rio Rico - AZ
14 Splendor Drive
Rio Rico, AZ 85648
520-281-7764
FAX: 520-281-7766

Greg Marrs, CEO

Roswell - Berrendo
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Roswell, NM 88201
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Roswell - Main
111 E. Fifth St.
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