

December 15, 2014

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

**RE: Organization; Institution Stockholder Voting Procedures – 79 FR 62058 (*published on October 16, 2014*)**

Dear Mr. Mardock:

Thank you for the opportunity to comment on the proposed Organization; Institution Stockholder Voting Procedures regulation, which was published in the *Federal Register* on October 16, 2014.

We appreciate FCA's efforts to clarify the current regulation and provide flexibility to Farm Credit institutions to manage their cooperative election procedures in a manner that promotes stockholder participation. Overall, this proposed change positively impacts the election process for System institutions. We note several issues below that may need further clarification in the final rule.

Section 611.340(a)(3)

This section specifies that members of the tellers committee may not include employees, directors, nominees or nominating committee members. Given that "independent third party" is not defined in this section, it may be prudent to include language clarifying that members of these same categories are also excluded from serving as an independent third party vote tabulator. In addition, while employees are excluded from serving on the tellers committee, it is not clear in the proposed language whether the administrative employees who assist the tellers committee can be stockholders. For some institutions with a small number of employees, such a prohibition may cause difficulty by shifting normal administrative duties related to stockholder elections based solely on an employee's status as a stockholder. An employee-stockholder can effectively perform duties unrelated to vote tabulation or certification without negatively impacting the integrity of the election process.

Section 611.340(a)(4)

In this section, the proposed language requires a bank or association to "[e]nsure that a list of eligible voting stockholders (or identity codes of eligible voting stockholders) . . . is provided to the tellers committee or independent third party that will be tabulating the vote to ensure the validity of the votes cast." This same section provides that a small group of administrative employees can separately verify voter eligibility. If this separate verification process is used, there seems to be no reason to require that a list of eligible voting stockholders be provided to the tellers committee. This language should be modified to make clear that the list of voting stockholders should be provided to the group that is responsible for verifying voter eligibility, rather than the current language, which may require it to be provided multiple times to different individuals or groups during the election process. Further, the language should clarify that the voter eligibility process can be performed in advance of the tellers committee tabulation and certification.



Section 611.340(b)

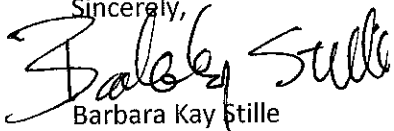
In this section, the proposed language reinforces voter confidentiality by stating ballots cannot contain signatures. The proposal specifies that identity codes are acceptable, but should be modified to include that signatures may be used as part of the authentication process, as long as those signatures are separate from the ballot to maintain voter confidentiality.

Section 611.340(c)

In general, we support the confidentiality certification by those participating in the election process. The proposed language, however, may be read to prohibit communication with stockholders about their own ballot or voting process. For example, an independent third party or administrative employee performing the verification process may need to respond to a stockholder inquiry about their ballot or a proxy prior to the close of the balloting process. This language could be read to prevent the person validating voter eligibility from communicating with the stockholder to confirm receipt of their proxy or ballot. This may create an obstacle to useful stockholder communication about their own ballot and unintentionally disenfranchise stockholders in the election process.

As always, AgriBank appreciates the opportunity to provide these comments. If you have any questions regarding the above, please feel free to contact me at your convenience.

Sincerely,



Barbara Kay Stille

Senior Vice President & General Counsel