

June 19, 2014

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

Mr. Mardock;

Thank you for the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. Adherence to appropriate Standards of Conduct is important to the integrity of the Farm Credit System and a topic which should be carefully considered. The FCA's proposed rule, however, does far more harm than good and should be substantially revised or eliminated.

As a director of Chisholm Trail Farm Credit, I find that the disclosure requirements in the Conflicts of Interest section of the proposed rule to be entirely inappropriate and completely unrealistic. The proposed rule ignores my association's cooperative structure and the way I do business in my own company. I routinely have business transactions with customers across the state of Oklahoma, some of whom might be Chisholm Trail Farm Credit's customers. For the most part, I don't know whether someone I'm doing business with is a Chisholm Trail Farm Credit customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at Chisholm Trail Farm Credit do not have any role in approving loans or the terms of loans.

Requiring me to disclose any transaction with a customer, even when I know I am doing business with a customer, is not realistic. The number of transactions I have in the normal course of my business means that both Chisholm Trail Farm Credit and I would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest. Perhaps most importantly, the proposal will immediately discourage qualified individuals from serving on the board of their FCS association.

The Chisholm Trail Farm Credit staff is already burdened with reports and compliance to the point they have difficulty providing all the services our customers require. This proposal is another example of the burdens that restrict the operations of our association. The FCA should be looking at ways to eliminate rules and regulations we must comply with instead of implementing more.

I urge the FCA to revise the proposed rule substantially prior to issuing a final rule. I would also like to offer my support to the comments submitted by (FCA association; CoBank; and/or the Farm Credit Council).

Sincerely,



Charles R. "Dick" Smart
Director
Chisholm Trail Farm Credit
Enid, Oklahoma