

Paul W. Rogers, Jr.
1233 Southampton Road
Wakefield, VA 23888

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

Dear Mr. Mardock,

I am writing as a farmer and Farm Credit association director in response to the proposed Standards of Conduct regulations. I support reasonable standards of conduct as a guide for employee, officer, director and agent behavior, in order to protect the Farm Credit System's (System) reputation. Standards, no matter how comprehensive, will not totally prevent inappropriate behavior. Thus, there needs to be an appropriate balance among the burden of administering and adhering to such standards, the privacy and disclosure of personal, financial and operational information, and the System's ability to attract and retain the most qualified directors and agents.

My primary concerns with the proposed regulations are as follows:

1. "Control" being defined too broadly,
2. The attempt to regulate transactions which occur in the normal course of my daily business that present little risk of conflict, and thus do not need to be regulated,
3. The lack of recognition that current association business practices remove directors from most loan and OPO decisions, thus eliminating most potential conflicts,
4. The potential loss of highly qualified current directors, and difficulty recruiting new directors,
5. Increased administrative and audit costs to stockholders,
6. The lack of authority to System institutions to discipline, sanction or dismiss directors who violate these regulations, and
7. The reduction in the quality and timeliness of services, as the best agents are driven away.

As proposed, these regulations are intrusive, burdensome, insulting, too costly to stockholders, and they will prevent normal and necessary business transactions among directors, customers and agents. I implore you to address these concerns before finalizing the regulations.

Sincerely,

Paul W. Rogers, Jr.

Director
Colonial Farm Credit, ACA