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February 12, 2015

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

Subject: Regulatory Capital, Implementation of Tier1/Tier2 Framework

Dear Mr. Mardock:

Thank you for the opportunity to comment on Farm Credit Administration's (FCA or Agency) proposed capital rule. The Agency's efforts to modernize Farm Credit System (FCS) capital requirements will result in a framework that is consistent with Basel III standards applied to other financial institutions. Yosemite Farm Credit, ACA (YFC) believes that adopting Basel III standards for the FCS will enhance investor understanding of the FCS's financial strength and increase marketability of third-party capital and debt securities, especially in periods of stress, thereby enabling the FCS to fulfill its mission.

YFC appreciates the Agency's efforts to carefully consider and accommodate the FCS's cooperative structure in developing the proposed capital framework. While FCA has done an admirable job in drafting the proposed capital rule, YFC is concerned that it does not strike the appropriate balance between supporting and protecting the cooperative structure on which Congress based the FCS and aligning with the Basel III concepts written for joint stock companies. Unfortunately, parts of the Agency's proposal undermine the cooperative structure. As a result, YFC asks that FCA revise the proposed rule as outlined in the letter submitted by Farm Credit Council.

YFC appreciates the opportunity to comment on this proposed rule and FCA's willingness to consider feedback.

Sincerely,

A handwritten signature in cursive script that reads "Leonard Van Elderen".

Leonard Van Elderen  
President and CEO