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

Dear Mr. Mardock:

As a director of Central Texas Farm Credit, ACA, I am personally committed to maintaining high standards of conduct, and I know my association is as well. First, I appreciate the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. It would appear that, although well-intentioned, the Agency has inadvertently designed a regulation that will discourage qualified active farmers from running for the board of a Farm Credit institution.

In keeping with the requirements of the Farm Credit Act, the majority of the directors at my association own full-time agricultural operations including, but not limited to, farming a variety of crops such as wheat and cotton, in addition to cow/calf and stocker operations as well as other ranching operations. I serve as the association's outside director and designated "financial expert". I have a public accounting practice, and I do business with clients all over the association's territory. Throughout the normal course of my business, I deal with members of my association on a regular basis.

Because of this, I find the transaction disclosure requirements in the Conflicts of Interest section of the proposed rule to be unduly burdensome and detrimental to my everyday business operation. I do not have a role in approving individual loans nor do I have any control or knowledge of the terms of individual loans. I also do not have access to information pertaining to individual borrowers. Therefore, it is unreasonable for me to be put in a position of having to know whether I am doing business with an association customer or not.

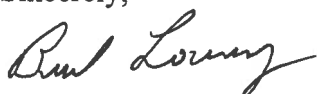
I routinely have business transactions with a wide variety of individuals in my accounting practice, some of whom might be association customers. Even in instances when I know I'm dealing with an association customer, there is no conflict of interest since I have no role in

making individual loan decisions. In addition, disclosure of client information could violate my client's right to privacy and may violate the standards established by The American Institute of Certified Public Accountants and the Texas State Board of Accountancy, which I am required to adhere to. At a minimum, it will put me in a difficult position with my clients, and it could require me to ask their permission to disclose their information. That is something I would rather not do, and if my position on the board starts to affect my relationship with clients, I may have to rethink my position on this board.

The proposed disclosure requirements would require me to report and obtain pre-approval of normal, everyday transactions within my farming and business operations. This is an unrealistic burden to place on directors. The proposed exception for immaterial transactions would not relieve the burden of reporting and obtaining pre-approval for transactions in the ordinary course of a director's business operation. The proposed regulation would require me to keep track of these transactions and get prior approval for them as soon as they exceed an arbitrary materiality limit. Even if these transactions don't present a conflict of interest, the reporting of every normal course of business transaction (with or without a materiality threshold) would be onerous. Making a living in rural America is difficult enough without this kind of unnecessary additional burden.

If FCA adopts the proposed regulation, I think that many directors will reconsider whether they can continue to serve as System directors and still run a viable agricultural or business operation, and it will become even more difficult to find new candidates who are willing and able to bear these burdens. I urge the FCA to substantially revise the proposed rule or consider withdrawing it. As drafted it is counterproductive, creating inappropriate, unreasonable standards that are inconsistent with modern business operations. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Burl Lowery".

Burl Lowery
Director
Central Texas Farm Credit, ACA