

June 12, 2014

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

Dear 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.

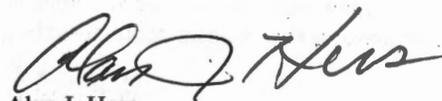
As a director of Frontier Farm Credit, I find that the disclosure requirements in the Conflicts of Interest section of the proposed rule to be entirely inappropriate and completely unrealistic. The proposed rule ignores my association's cooperative structure and the way I do business in my own ranching operation. I routinely have business transactions with a wide variety of individuals, some of whom might be Frontier Farm Credit's customers. For the most part, I don't know whether someone I'm doing business with is a Frontier customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at Frontier 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 Frontier 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.

I am involved in a custom grazing operation, which very simply means that I look after yearling cattle in my pastures that are owned by others during the summer grazing season. The agreements that are made for grazing arrangements are nearly always made over the phone with one phone call and include fifteen or more customers, per season. Although some of these are repeat customers, I have no idea if they are Frontier Farm Credit customers. Plus, it's none of my business to ask. If I would have to pass up making a deal on the phone, so that I could check to see if a prospective customer is a Farm Credit borrower, the delay could very easily ruin the deal as time is of the essence with these prospective customers.

I urge the FCA to revise the proposed rule substantially prior to issuing a final rule. Thank you for your consideration.

Sincerely,



Alan J. Hess  
Director, Frontier Farm Credit