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September 10, 2018

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

RE: Proposed Rule – Standards of Conduct and Referral of Known or Suspected
Criminal Violations; Standards of Conduct (12CFR Part 612)

Dear Mr. Mardock:

As a director of a Farm Credit System institution, thank you for the opportunity to comment on the proposed rule referenced above. In my oversight role, I appreciate and take seriously the importance of protecting the reputation of the Farm Credit System and public confidence in our ability to conduct business with high standards of integrity and ethics. My experience evidences those involved in the operation and oversight of our institutions, from staff to management and directors, are individuals of good character. Collectively, with those who have preceded us, we have been faithful stewards of the System for over 100 years. As with any organization, there have been limited exceptions and when unfortunate incidents have occurred, the System has taken appropriate actions to address and implement needed corrective actions.

I am aware both the Farm Credit Council and AgFirst Farm Credit Bank are submitting comment letters. These letters were developed after significant input from many parties invested in the future of Farm Credit. Please ensure their correspondence and the concerns raised in them are given significant and serious attention as you seek to determine the final regulation to be enacted. Any communication from the Farm Credit Administration or any regulatory decision creating additional administrative burden on the System or its directors, increasing the cost of implementing and administering Standards of Conduct Programs, or inadvertently giving the impression current ethical standards of our institutions and those involved with them are lax or ineffective would be, in my opinion, detrimental to our shared goals.

As a director, I specifically find areas related to enhanced reporting requirements, the way in which the proposed rule seeks to broaden certain definitions that either have distinct legal meaning or as proposed would be overly broad, and how the proposed rule may leave institutions unduly subject to the opinions of individual examiners instead of clear regulatory guidance particularly concerning. It seems some of these areas are being increased over already potentially burdensome levels, not taking into account the role of the director in most Farm Credit institutions has transitioned over

Helping Rural America Grow



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time. My fellow directors and I, generally, have no direct input or involvement in the approval or the establishment of credit terms for individual loans. As such, the opportunity for conflicts of interest in these areas is virtually non-existent.

The proposed rule raises concern regarding the role of the Standards of Conduct Official within our organizations. Increasing the inferred responsibility of this position to limits in some cases possibly unreasonable, while at the same time making the regulation less clear and more subject to individual interpretation, will likely make it harder for Boards to find individuals willing to serve in this role.

I, and other System directors I know, do not serve in our capacity for compensation; it is for love of agriculture and our desire to contribute in a positive way to the future of agriculture, our rural communities and the System institutions we serve. I urge you to be extremely cautious not to do anything, whether intentional or not, that results in service as a System director being more complicated or cumbersome.

Thank you for accepting and considering my comments; they are offered to be constructive and in a spirit of cooperation toward our shared goal that the Farm Credit System remain a respected and trusted resource for future generations.

Sincerely,

A handwritten signature in black ink that reads "Cindy S. Eade". To the right of the signature, there is a blue handwritten mark that appears to be "JCE".

Cindy S. Eade
Vice-Chair of the Board, Farm Credit of Northwest Florida