

**TERRY AND CHERRI SHERRILL  
BOX 688, 103 ETLING  
GRUVER TX 79040-0688  
806-733-2200  
terrysherrill@gruver.net  
FAX 806-733-2275**

October 15, 2018

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

[Reg-comm@fca.gov](mailto:Reg-comm@fca.gov)

RE: Proposed Rule RIN 3052-AC97; 12 CFR 611 and 619

Dear Mr. Mardock:

I have been an outside director for AgTexas Farm Credit Services, ACA and its predecessor Great Plain Ag Credit, ACA since 2004. In compliance with FCA regulations, I have never had a loan or any other business arrangements with any institution in the Farm Credit System, other than that of being an outside director.

Your current proposed regulation concerning tighter eligibility requirements are over reaching. Excluding outside director eligibility based on immediate family member relationships who are borrowers with any System institution does not ensure independence, but further adversely affects a board's ability to keep or select potential candidates.

My wife and I have three children; all of whom graduated from college and upon graduation, obtained employment in fields other than agriculture. However, one of my sons later chose to enter production agriculture with his father-in-law. Recently, my son, as young, beginning and small farmer obtained a loan through another farm credit institution to purchase some land. To ensure the appearance of an arm length's transaction, it was concluded to obtain that loan from another institution rather than the institution that I serve. While this was not in the best interest of my institution, it did appear to be the appropriate way to proceed with this transaction.

Your proposed regulation, as written, implies that current outside directors do not take their responsibilities in maintaining independence in a serious manner. That is not the case. Your proposed regulation also implies that an outside director of an institution has significant impact over other institutions, banks, and even the System, itself. My many years of experience as an outside director has not indicated I have that influence. The reality of my situation is that I have one of twelve votes in one board room with eleven other conscientious board members who would not allow anyone to influence in favor of any family member.

Your narrative indicates that “we do not believe that including additional eligibility criteria would adversely affect the board’s ability to select qualified candidate.” This had to have been proposed by someone that never actually had to fill a vacancy. Finding qualified people who are willing to serve under current regulations is very difficult. I have been involved in these searches and it is time consuming and arduous.

I urge you not to implement the proposed regulation, as it would not, in fact, “further ensure independence from System institutions,” but would only restrict an institutions ability to have the most qualified board members serve. We do not need to expand the list of persons who would be excluded from nomination.

Sincerely,

A handwritten signature in cursive script, appearing to read "Terry Sherrill".

Terry Sherrill