



November 22, 2019

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

RE: Investment Eligibility Propose Rule

Dear Mr. Mardock,

Thank you for the opportunity to comment in support of the proposed rule relating to investment eligibility that allows Farm Credit Associations to purchase portions of loans unconditionally guaranteed by the U.S. Department of Agriculture.

Banks like ours are actively engaged in originating and offering the federally guaranteed portion of the loans to the secondary market for purchase. It is a benefit for us as a bank that operates in rural communities to be able to place these loans with Farm Credit Associations. Selling the guaranteed portion enables us to capitalize the loan and reinvest the sale proceeds back into our local communities.

We support the proposed rule but do not understand why Farm Credit Associations are limited to investing in only USDA guaranteed loan programs. Lenders as ourselves can utilize a host of federally guaranteed loan programs for the benefit of our customers. An example would be the SBA 7(a) loan program. While most 7(a) loans are pooled into the secondary market some are not eligible for pooling and must be sold as individual loans.

Farm Credit Associations should be allowed by their regulator to buy individual SBA loans and in addition be allowed to support lenders in any federally guaranteed loan program that provides an unconditional guarantee to the investor. The suggested expansion of authority would make sense and be of benefit to lenders by promoting a more robust secondary market for all federally guaranteed loan programs.

Thank you for the opportunity to comment.

Sincerely,

Christopher R. Soupal, Executive Vice President  
Crestmark, a division of MetaBank