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Congress of the United States
House of Representatives
Washington, DC 20515-1409
July 15, 2020

The Honorable Glen R. Smith
Chair & CEO
Farm Credit Administration
1500 Farm Credit Drive
McLean, VA 22102

The Honorable Jeffery S. Hall
Member of the Board
Farm Credit Administration
1500 Farm Credit Drive
McLean, VA 22012

Dear Chairman Smith and Board Member Hall,

I write to express my concern regarding the rule approved by the Farm Credit Administration Board of Directors on February 13, 2020, entitled "Eligibility Criteria for Outside Directors."

Under the 1987 Amendments to the Farm Credit Act, each System bank and association is required to have at least one outside director elected by the other directors and specifies that the member shall not be a director, officer, employee, stockholder, or agent of a System institution. Additionally, under the new rule, the term "borrower" would be added to the eligibility criteria, and the rule would require that outside directors' family members meet the same criteria.

Farm Credit institutions, serving over 20,000 customers across Indiana with a total loan value in excess of six billion dollars, have expressed their concern with the expansive nature of the new criteria and believe that the unnecessarily stringent regulation will prevent well-qualified directors from holding a position on the board. These associations have noted several instances where a current outside director providing an independent voice for the board will be forced to step down due to the provision that is extended to members of their family. More broadly, there doesn't seem to be a precipitating event or problem needing resolution by reformulating the test for "outside director." Absent a clear danger, it's hard to imagine the public benefits when the cost is so clear and purported "problem" hasn't existed in the System.

I fervently believe that an outside director can provide a diverse and objective perspective to any board. However, the FCA must ensure that new criteria are not too expansive or burdensome.

I strongly encourage the FCA to delay implementation of the "Eligibility Criteria for Outside Directors" rule until the legitimate concerns of the institutions regulated by FCA can be properly addressed.

Be of good cheer,



Trey Hollingsworth
U.S. Representative, Indiana's 9th District