WESTERN AgCredit

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May 20, 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 Western AgCredit ACA, 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 Western AgCredit's customers. For the most part, I don't know whether someone I'm doing business with is a Western AgCredit customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at Western AgCredit 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 Western AgCredit 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.

For example, I may buy feed stocks from area farmers or I may purchase or sell livestock from/to area ranchers. There is no practical way for me to verify whether individuals who I may purchase feed from or individuals related to my livestock transactions are stockholders of Western AgCredit prior to me conducting the transactions.

I urge the FCA to revise the proposed rule substantially prior to issuing a final rule. I would also like to offer my support for the comments submitted by (Western AgCredit; CoBank; and the Farm Credit Council). Thank you for your consideration.

Sincerely,

Richard V. Nielson

Richard V. Nielson
Director

FARM CREDIT