



7/14/2021

Mr. Kevin J. Kramp
Director, Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Re: Proposed Rule – 12 CFR Part 614 – RIN 3052-AC94; *Collateral Evaluation Requirements*; 86 Federal Register 27308-27323

Dear Mr. Kramp:

AgTexas Farm Credit Services appreciates the opportunity to comment on the Farm Credit Administration's ("FCA") Proposed Rule regarding Collateral Evaluation Requirements that was published in the May 20, 2021 *Federal Register* (the "Proposed Rule").

We fully support the comments made by the Farm Credit Council (FCC) on behalf of the System in response to the Proposed Rule. While we agree with many of the goals and objectives stated by the FCA for the Proposed Rule, for the reasons more fully explained in the FCC's comment letter, we do not believe that the Proposed Rule as currently presented satisfies these goals and objectives and that the Proposed Rule presents a number of compliance issues for Farm Credit System institutions and their appraisers and chattel evaluators, imposes costs and burdens on System customers and borrowers, and causes unnecessary confusion and inconsistency within FCA regulations and related authorities.

Additionally, although AgTexas supports the position of the FCC regarding the Proposed Rule, we have also identified the following concerns with the Proposed Rule:

- It appears the overall theme of the Proposed Rule supersedes the Uniform Standards of Professional Appraisal Practice (USPAP) in numerous cases which already provide sufficient guidance on these issues. USPAP is updated every two years and has evolved as the appraisal industry has evolved through technology and other means. USPAP takes a risk-based approach to its guidelines, permitting Restricted Appraisals when appropriate, as well as numerous other guidelines designed for efficiency. We would therefore ask that the Proposed Rule compliment USPAP instead of making it a secondary consideration.

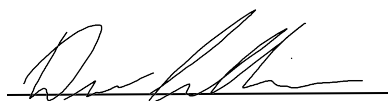
Mr. Kevin J. Kramp
Farm Credit Administration
7-14-2021
Page -2-

Accordingly, we respectfully request that the FCA withdraw the Proposed Rule, or alternatively, we request an opportunity for System representatives and industry experts to meet with FCA to explore possible improvements that could be made to existing guidance to accomplish the stated objectives of the Proposed Rule and/or to further safety and soundness with regard to appraisals and collateral evaluations in another way.

Thank you again for the opportunity to comment on the Proposed Rule, and we hope that our comments herein, as well as those submitted by the FCC and other System institutions, will assist the FCA in reevaluating the Proposed Rule.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Cullins", written over a horizontal line.

Dave Cullins
SVP/Administration
AgTexas, FCS

A handwritten signature in black ink, appearing to read "Stan T. Phillips", written over a horizontal line.

Stan T. Phillips, MAI
RVP/Appraisal Director
AgTexas, FCS

Administrative Office: (806) 687.4068 | Credit Office: (806) 745.4575 | agtexas.com