



July 16, 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:

FCS Financial appreciates the opportunity to comment on the Farm Credit Administration's ("FCA's") Proposed Rule regarding Collateral Evaluation Requirements as published in the Federal Register May 20, 2021 (the "Proposed Rule"). We appreciate the consideration by FCA of these comments as set forth below.

The Farm Credit Council, on behalf of the System, has submitted comments on the Proposed Rule ("System Comment Letter"). FCS Financial participated in the development of these comments and fully agrees with the issues raised and recommendations made in the System's comment letter. This letter is in addition to the System's comments and is intended to provide additional emphasis and clarification on specific issues.

While the concerns raised in the System Comment Letter are important, our greatest concern results from the impact the Proposed Rule would have on the practice of taking blanket liens on non-real estate collateral and the protection afforded the lender by maximizing its collateral coverage. The taking of blanket liens is a common practice among virtually all lenders, including System lenders, and is invaluable. It is critical that lenders have the ability to maximize the collateral they can take, including all evolutions and permutations of certain types of non-real estate collateral that can only be realized through the taking of a blanket lien. Due to cost and logistics, requiring the evaluation of every piece of collateral would necessarily cause lenders to take less collateral than with a blanket lien, resulting in less protection for the lender.

We also believe the limitations in the Proposed Rule on the use of technology, such as automated valuation models, in the valuation of real estate collateral eliminate or impair many of the benefits that could be realized using these solutions now and in the future. USPAP and other guidance already provide detailed limitations and clear guidelines on the use of these technology tools.

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For the reasons stated in the System Comment Letter and this letter, FCS strongly encourages FCA to withdraw the Proposed Rule.

Please contact FCS' General Counsel, John Bandy, at (573) 636-7809, if you have any questions about these comments or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "David D. Janish". The signature is fluid and cursive, with a large, sweeping initial "D".

David D. Janish
Chief Executive Officer