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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:

As a director on the Farm Credit West Board, I am writing to express my concern that FCA's recently proposed rule on collateral evaluation will have a negative impact on the agricultural producers, agribusinesses, and other customers we serve.

My farming operation is a diversified farming enterprise in Yuma, Arizona. It is not apparent to me what "benefits" the proposed rule would provide to the farmers and ranchers who are customers of Farm Credit West. I assume that FCA has done a cost/benefits analysis of the impact the proposed rule would have on borrowers around the country and their diverse ag operations that make up American agriculture. For example, does your analysis address the impact this proposed rule would have on an operation like mine? I would like to see the analysis supporting and identifying the benefits that the farmers who borrow from Farm Credit West will receive under the proposed rule; therefore, I am formally requesting a copy of the cost/benefits analysis completed by FCA.

It appears to me that the proposed rule would slow the loan-making process and place needless cost and burden on producers without any real benefit to the safety and soundness of Farm Credit System institutions. Those same institutions may miss opportunities to fulfill the Farm Credit mission to young, beginning, small, minority and socially disadvantaged producers, who would be disproportionately impacted as they have the smallest amount of borrowings and capacity for absorbing higher fixed costs of obtaining credit. Not being able to "afford" pledging additional collateral could result in an inability to qualify for a loan.

I respectfully ask FCA to withdraw the rule and engage Farm Credit System representatives in a constructive dialog to identify an approach to collateral evaluation requirements that is farmer friendly, recognizes modern practices, and simplifies the credit delivery process.

Thank you for your consideration and the opportunity to submit comments regarding the proposed rule.

Colin Mellon
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