

July 15, 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 Farm Credit System director, I am writing to express my support for the comment letter submitted by the Farm Credit Council and AgFirst Farm Credit Bank and 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.

The 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. Particularly concerning is the rule's provision that provides that the Association can rely on existing appraisals only if they reflect current market conditions at the time of use rather than simply confirming that the current market value is no less than when the transaction was originally put on the books. This provision has the potential to greatly increase borrower expense and cause delays.

I respectfully ask FCA to withdraw the rule and engage Farm Credit System representatives in a constructive dialog designed 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.

Sincerely,



Lee H. DeLoach, Board Member
AgSouth Farm Credit, ACA