

June 12, 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:

I am a Director of Capital Farm Credit and am writing this letter to explain how the proposed standard of conduct regulations will, if adopted, impede my ability to hold a director position. Adherence to appropriate Standards of Conduct is important to the integrity of the Farm Credit System and a topic that our Board and Association devote considerable time and effort toward on a regular basis. The FCA's proposed regulations will not improve any individual's personal integrity but will result in some unintended consequences that I do not believe FCA has considered. In my opinion serving on the Board of Directors would come at a great additional cost. The additional reporting and approval processes will consume my time as well as needlessly interfere with the management of my operation and have zero additional benefit to the institution's safety and soundness.

The proposed regulations ignore my association's cooperative structure and interfere with the management of my ranch real estate sales business and also with my ranching operations. My businesses have me spread across two states wherein I deal with many existing and potential customers and because I believe and support the Farm Credit System, I spend much of the time I am with clients and fellow ranchers, trying to be an advocate for doing business with the System, including Capital and other associations. The tone and context of the proposed regulations gives me the impression that my practices are a conflict and discussions with each client would need to be disclosed. I don't believe your intent was to deter me from being a supporter but if implemented as proposed, the regulations will not only hinder my business operations but will also make it difficult for me to continue to support the Farm Credit System.

Requiring me to disclose any transaction with a customer is burdensome and without cause. The number of transactions I have in the normal course of my business means that both Capital Farm Credit and I would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest, and thus have zero impact on Farm Credit's safety and soundness. Additionally and most importantly, the proposal will immediately discourage me and other qualified individuals from serving on our Board of Directors.

I urge the FCA to revise the proposed regulations and fully address the issue raised in this letter as well as the other issues mentioned in the letter sent to you on behalf of our institution. Thank you for your consideration.

Sincerely,

Joe David Yates
Capital Farm Credit Director &
Terry Wooten Real Estate
Llano, Texas