



January 21, 2022

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

RE: Proposed Rule—12 CFR Part 628—RIN 3052-AD42; Risk Weighting of High Volatility Commercial Real Estate (HVCRE) Exposures; 86 Federal Register 47601-47607

Capital Farm Credit appreciates the opportunity to comment on the proposed rule regarding Risk Weighting of High Volatility Commercial Real Estate Exposures that was published in the August 26, 2021 Federal Register. We support the letter issued by the Farm Credit Council, dated January 19, 2022 which covered several concerns and requested clarification on important points to ensure proper implementation.

Although implementing this regulatory change would allow for more consistency with regulations for a commercial bank, our lending authorities inherently limit the existence of possible applicable loans in which to apply the proposed regulation. The cost of implementing this regulatory change is greater than benefit achieved given the minimal impact that these loans would have on regulatory capital ratios.

Like mentioned in the Farm Credit Council's letter, we seek clarity on the "Agricultural Land" exclusion. As stated in the proposed rule, the exemption is not allowed for farm property construction, which includes the onsite construction of industrial, commercial, residential, or farm buildings. Without clarification, "farm buildings" may include dairy barns, poultry barns, or other barns/structures for an operation. These are part of the ongoing operations of a farm, and we request FCA to consider excluding these structures if they are present on agriculture land and part of an ongoing ag operation.

We thank FCA for this opportunity, and we appreciate the ability to provide input on proposed regulatory changes. Please contact us if you have any questions.

Sincerely,

/s/

Jennifer N. Thompson
SVP of Compliance