

E&H Farms  
7334 Batavia Road  
Dixon, CA 95620

August 15, 2022

Autumn R. Agans  
Deputy Director, Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

Re: Notice of Proposed Rulemaking – 12 CFR Parts 614 and 620 – RIN 3052-AD54; Loan Policies and Operations; 87 Federal Register 36261-36266

Dear Ms. Agans:

As a director on the Farm Credit West ("FCW") Board, I am writing to express my concern that FCA's recently proposed rule on YBS will have a negative impact on the agricultural producers, agribusinesses, and other customers we serve by adding unnecessary burdens on the System.

FCW considers its YBS program a critical part of the mission given by Congress to support the financial success of all credit worthy farmers and ranchers. My fellow directors and I recognize the need to serve all producers—including Young, Beginning, Small, and socially disadvantaged farmers and ranchers. FCW has a very successful YBS program that includes lending, outreach, education, and financial support. I am not aware of any shortcomings of our program based on FCA examinations, and I have received positive feedback from members of the community. The Proposed Rule seems to be a solution in search of a problem. As such, I have two primary concerns with the Proposed Rule:

**Rating System:** I am uncomfortable that the parameters of the proposed rating system have not been defined. The success of a YBS program cannot solely be measured by the number of loans, or of a specific dollar spend. Instead, YBS program success should be defined by the directors of the organizations, individuals that represent the communities that FCW serves—not a math formula. Also, public disclosure of an institution's YBS rating could be misconstrued by the public and potentially harm its reputation and customer relationships. FCW has a great story to tell regarding YBS—we need to be allowed to tell it.

**Farm Credit Bank Oversight:** To require the supervisory bank's review and approval of its associations' YBS strategic plans ignores the evolution of the System and creates administrative burdens and additional costs with no perceivable benefit to YBS farmers and ranchers. The Banks are too far removed from the needs in individual association territories. Placing oversight in their hands seems incompatible with the spirit of what we are trying to achieve at the ground level with our local YBS Programs.

I respectfully ask FCA to withdraw the rule and engage Farm Credit System representatives in a constructive dialog to identify opportunities to expand YBS lending and outreach tailored to each respective territory's needs. This can be done without adding further regulatory requirements.

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

Craig Gnos

Director, Farm Credit West