

August 12, 2022

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

RE: Proposed Rule – 12 CFR Parts 614 and 620 – RIN 3052-AD54, *Loan Policies and Operations*; 87 Fed. Reg. 36261-36266

Ms. Agans:

Oklahoma AgCredit (“OKAC”) appreciates the opportunity to comment on the Farm Credit Administration’s (“FCA”) Proposed Rule regarding Loan Policies and Operations (specifically related to Young, Beginning, and Small (“YBS”) farmer and rancher activity) that was published in the June 16, 2022, *Federal Register* (“Proposed Rule”).

At OKAC, we are very dedicated to serving the YBS producers in our territory. Our YBS program allows for concessions in collateral requirements and interest rates. We also offer to pay for trainings that YBS borrower’s may wish to attend to further their knowledge on marketing their commodities, crop insurance, risk management or any other training related to their farming or ranching operation.

We have many success stories and testimonials over the years, and very proud of the next generation of farmers we have been able to serve in our territory. Some recent examples are highlighted below:

- Success story: A young borrower born and raised in California (with no prior Agriculture experience) moved to NE Oklahoma and began working for a local cattleman. He quickly developed a love for the agricultural industry and began documenting his daily experiences on the ranch through social media, which has gained a very high level of interest among viewers. He now has roughly 235,000 followers and over 4.7 million views on the social media platform TikTok. He has expressed how he’s been able to use his social media to introduce and educate many people across the world who are unfamiliar with the world of agriculture. In 2020, he and his wife purchased an 80-acre tract utilizing the Oklahoma AgCredit/FSA participation loan program. Due to their age and level of experience, they qualified for our Association’s YBS loan program as well. Since then, we’ve made 2 cattle loans to them for a 50 head cow/calf operation of their own on approximately 160 acres. They’ve both been excellent to work with over the past couple years and we anticipate that he will continue to educate people around the world while running his operation.



- Customer testimonial: “Being a YBS operator, Oklahoma Ag Credit has given us options that traditional lending would not have provided. Our Ag Credit loan officer has kept us informed of financing options and help educate us on the best programs for our operation. This in return has made us a lifelong Oklahoma Ag credit customer.”
- Customer testimonial: "The Oklahoma AgCredit YBS program opened doors for us that would have otherwise been closed or difficult to open. As both a small and beginning ranch, we don't have the time to leave the farm for a weekend and go to a conference; much less afford the registration fees and hotel costs. The OK Ag Credit YBS Education program is allowing our cattle operation to take classes, listen to leading industry professionals speak and network with individuals with the same goals. This conference is instrumental for us because while both of us have grown up around agriculture and my extended family has raised beef, we are both considered first generation farmers and education is mandatory for us to be successful. Even though we live in a rural, remote part of Oklahoma with limited access to WIFI, the application process was simple, and easily accessible. Thanks to the small, intimate size of OK Ag, when I did have questions about the program, or when I found out that the conference package only included a ticket for one person and not two like I had originally thought, I sent an email and had an answer and a resolution in less than a day (and my spouse had a ticket bought to be able to come with me soon thereafter). At no point did I feel like I was a number. I always felt like I was talking to people who understood our lifestyle and, thanks to Oklahoma AgCredit and their YBS program, we have a team who truly wants to see us succeed."

Respectfully, the Proposed Rule is somewhat contradictory to the success stories and testimonials shared above. YBS is part of OKAC's mission and an important part of the Farm Credit System's ("System") support of rural America. Obviously, extending credit and financial services to YBS farmers creates risk, and OKAC embraces that risk. However, the regulatory burden that would be associated with the Proposed Rule is significant.

By way of example (and not limitation), the "strategic plan" and corresponding reviews and approvals, past performance assessments, and the "Direct lender association YBS programs" contemplated in the Proposed Rule would be paralytic, in terms of both cost and administration, to OKAC while providing little to no value to existing and potential YBS stockholders.

OKAC is like most Farm Credit System organizations. We have just over 100 employees spread out over eighteen (18) locations in sixty (60) counties. Our operation is lean and nimble, structured in a way to return as much value as possible to our customer-owners. OKAC and similarly situated System organizations simply do not have the resources to build, implement, and maintain the "strategic plan," performance assessments, and other regulatory requirements set forth in the Proposed Rule. The cost of staffing up to comply with the Proposed Rule would be





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difficult for the organization to absorb while continuing to provide the service that YBS producers in our territory have come to expect.

OKAC remains committed to serving the YBS community, but the additional requirements in the Proposed Rule would impose on OKAC and similarly situated associations are overbroad and unduly burdensome. Accordingly, OKAC respectfully requests that FCA withdraw the Proposed Rule. In the event the Proposed Rule is withdrawn, OKAC would welcome the opportunity to participate in a joint FCA-System institution work group dedicated to development of new YBS requirements and/or standards that make sense for both FCA and the System institutions it regulates.

OKAC would also like to take this opportunity to voice its full support of the Farm Credit Council national comment letter sent on behalf of the entire Farm Credit System.

We thank you for the opportunity to participate in the Loan Policies and Operations rulemaking process.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Burk", is written over a horizontal line.

John Burk
Chief Lending Officer

