

May 30, 2014

Mr. Barry F. Mardock, Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102-5090

Re: Proposed Rule for Standards of Conduct and Referral of Known or Suspected Criminal Violations

Dear Mr. Mardock:

As an appointed director of Farm Credit of Northwest Florida, ACA, I would like to extend my appreciation for being provided the opportunity to submit comments to the Farm Credit Administration in response to the proposed rule for Standards of Conduct. My background includes Banking Management, Strategic Planning, and Professional Consultation. As a business professional, I understand the importance of both efficiency and effectiveness in business pursuits, with a clear foundation of ethical behavior and sound practices. Although I am currently an outside director and do not have an active loan with Farm Credit of Northwest Florida, ACA, I am a former borrower and feel strongly that my role as a director is to help facilitate a company philosophy that supports, encourages, and values nothing but the utmost integrity in all facets of the Association, from staff and directors alike. For this reason, I certainly support reasonable efforts to safeguard the reputation of this Association and the Farm Credit System.

Although my personal situation differs from many of my board colleagues who have agricultural operations, I can appreciate the environment in which they work. Based upon many of their comments, a lot of their concern over the proposed rule deals with the reporting and approval requirements creating a burden on their directorship. As the owner of a consulting business, I can empathize with this concern, as being an Association director already takes away much time from our business enterprises. I worry that additional reporting requirements will make finding capable board members an even greater task. As with any business, but most especially agriculture, decisions are required to be made quickly and, at times, outside the timeframe of traditional work hours. Not being able to close transactions that have occurred through honest, mutually-beneficial negotiations hampers a business's ability to operate at full effectiveness. The idea that this proposed rule would require any pre-approval of certain transaction could potentially harm the operations of all directors, whether elected or appointed, as all businesses have the capability to intersect with Farm Credit borrowers in some capacity. The idea that being a director of the Farm Credit System could hinder our decision-making abilities is distasteful and not only leads us to question our mission to promote the System but also leads us to question our directorship as a whole.

In my opinion, more flexible reporting requirements, such as post-reporting and the review of transactions along with proper recusals, would be an adequate means to address concerns regarding conflicts of interest. Again, the safety and soundness of the Farm Credit System is at the core of my values and seeing it operate with the utmost integrity is of highest importance. However, I am also not comfortable that the flexibility built in to the proposed rule concerning materiality definitions and de minimis reporting levels leaves the Association open to potential differences of opinion.

I also would like to confirm my support of the comment letter from Farm Credit of Northwest Florida, ACA's Board of Directors. I believe that areas in the proposed rule related to a Code of Ethics, minimum training requirements, and ensuring the deployment of resources to implement and administer the Association's Standards of Conduct Program will reap benefits. However, other items that were addressed in the referenced letter, in my opinion, have a high likelihood of generating greatly increased administrative costs on our small Association without a resulting tangible improvement to the already sound ethical practices of the Association, its directors, and staff.

In my experience, Association board service is not pursued for personal gain, but rather out of loyalty and concern for the well-being of American agriculture and the Farm Credit System. The majority of Association directors accept the call to board service as an added responsibility to already very full and busy schedules. The push within the proposed rule to incorporate a board's willingness to follow the "guidance" of the Agency is also troubling. As a board we should have full freedom, in fact I would say that it is our responsibility, to question guidance we are being provided and to disagree when we feel guidance not related to strict regulatory compliance would negatively impact our shareholders.

Please give strong consideration to the real-world impact of implementing this proposed rule as written on directors and staff members who serve the System in our local communities.

Respectfully submitted,



Bob Calvert
Director, Farm Credit of Northwest Florida, ACA