



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,

AgGeorgia Farm Credit (“AgGeorgia”), a customer-owned financial institution that is part of the nationwide Farm Credit System, appreciates the opportunity to comment on the Farm Credit Administration’s (“FCA”) Notice of Proposed Rulemaking regarding Loan Policies and Operations (“YBS Proposed Rule” or “Proposed Rule”) that was published in the Federal Register on June 16, 2022.

AgGeorgia is proud of our work and track record in YBS lending. Recognizing these segments as an important part of our business operations, mission, and the future of agriculture, we participate in a wide array of outreach and support for YBS producers. While a comprehensive listing of our YBS related efforts may be of some interest, the real measure of our efforts in these areas is reflected in our loan growth in these segments. AgGeorgia’s number of loans outstanding to the combined categories of YBS producers has increased by 29% over the last decade, while our volume of loans outstanding to these combined categories has increased 57% over the same span.

With noted and measurable success in YBS lending (within AgGeorgia’s territory and across the Farm Credit System (“FCS”) as a whole), we question the need for such a rule given the direction of the FCS and what is already being accomplished. Further, AgGeorgia has concerns that the Proposed Rule has the potential to deliver the opposite effect intended by FCA. One reason for these concerns surrounds the Proposed Rule’s effect on our human capital resources. As a comparatively smaller association, many of our staff fulfill multiple roles. For example, AgGeorgia’s Marketing Department has 3 employees which are actively engaged in outreach, advertising, event planning, and other functions, and along with our Accounting Department are also regularly tasked with reporting on YBS efforts and loan activity. Added reporting requirements thus stand to re-allocate time from YBS outreach efforts to accommodate expanded reporting and documentation efforts. Additionally, there is concern surrounding the rating system mentioned in the Proposed Rule. FCA Chairman Glen Smith correctly noted in his April 1, 2022 communications to FCS institutions that each institution “...has a unique, customized approach to YBS, depending upon its region of the country, its size, staffing, type, and diversity of enterprises, etc.” Noting this, AgGeorgia holds that the establishment of any FIRS-like rating system would thus be problematic. Not only would such a rating system place an additional administrative burden on AgGeorgia staff, it also would seem extremely difficult to

appropriately and fairly rate each institution's YBS activities given the uniqueness of our territory and preferred types of outreach. Without further details concerning how the agency intends to develop and implement the rating system, we cannot adequately comment.

Finally, AgGeorgia would like to express support for the letter submitted on August 8<sup>th</sup> by the Farm Credit Council on behalf of FCS institutions. We fully agree with the assertions and concerns expressed therein, and for those reasons as well as those outlined in this letter, would therefore respectfully request that the YBS Proposed Rule be withdrawn. While the YBS Proposed Rule is no doubt well-intentioned, AgGeorgia's position is that it is likely to have the opposite of the desired effect of enhancing our association's ability to serve YBS customers.

Thank you for the opportunity to comment on the Proposed Rule, and please do not hesitate to contact me if AgGeorgia may be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Crain". The signature is written in a cursive style with a large initial "J" and "C".

James R. (Rob) Crain  
Chief Executive Officer, AgGeorgia Farm Credit