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September 26, 2022

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

**RE: Notice of Proposed Rulemaking – 12 CFR Parts 609 – RIN 3052-AD53; *Cyber Risk Management*; 87 Federal Register 45281-45284**

Dear Ms. Agans:

AgFirst Farm Credit Bank (“AgFirst” or “Bank”) appreciates the opportunity to submit comments to the Farm Credit Administration (“FCA”) in response to the notice published in the Federal Register on July 28, 2022 regarding the Cyber Risk Management regulations (the “Proposed Rule”). AgFirst commends FCA’s acknowledgment of the significant growth, changes, and advancements in information technology and the need to update the regulatory requirements to address applicable risk.

The Farm Credit Council (“FCC”) coordinated with the FCS Cybersecurity Workgroup (“Workgroup”) to analyze and provide commentary on the Proposed Rule. AgFirst had representation on the Workgroup and supports FCC’s comments on the Proposed Rule. In addition, AgFirst is providing the following additional comments to supplement the FCC’s comments.

**The vendor management requirements are not feasible.**

The Proposed Rule references “vendors”; however, the term is not defined. AgFirst believes that at a minimum the Proposed Rule should clearly state that “vendors” refers to “third-party vendors”. The clarification of third-party vendors is consistent with the Corporate Governance Examination Manual and guidance provided by the FFIEC and FDIC that relates to management and outsourcing of third-party service providers.

The contractual requirements of Section 609.930(c)(5)(ii) are not always feasible. System institutions deal with a vast assortment of vendors with varying levels of cybersecurity

complexity. Proper vendor due diligence allows a system institution to review a vendor's security posture; however, many larger reputable vendors will not agree to non-standard contractual terms that require additional measures outside of their appropriate operating procedures. Rigid requirements could lead to system institutions being barred from using certain industry leading vendors. This would put system institutions at a competitive disadvantage with other financial institutions in the industry.

The review requirements of Section 609.930(c)(5)(iii) present concerns. Many vendors are not openly willing to grant blanket audit rights, and many times system institutions must negotiate the ability to review annual certifications and tests from the vendor. While some of the larger system institutions have the resources to actually conduct audits and/or review the summary of vendor tests results, many of the smaller institutions lack the necessary resources to conduct such review. Section 609.930(a) speaks to cyber risk management programs being consistent with the size and complexity of the system institution's operations; however, Section 609.930(c)(5)(iii) imposes requirements that could be overly burdensome for those system institutions that are smaller and have less complex operations. Additionally, this section appears to apply to all of a system institution's vendors when it should be limited to only a system institution's critical vendors. No matter the size or complexity of a system institution's operations, it would be a burdensome task for an institution to conduct this level of review for every one of their critical and non-critical vendors.

**Various provisions of the Proposed Rule are ambiguous and open to multiple interpretations.**

The Proposed Rule needs to be clear so as not to leave inconsistency of interpretations amongst the system institutions and FCA examiners. The following examples highlight areas that require additional clarification:

- Section 609.930(b)(1) references "industry standards"; however, industry standards is a vague term that can be interpreted many ways. Without providing further guidance on what industry standards should be followed, there is the potential for a system institution to make a good faith effort to comply with this section but fall short because they did not implement FCA's desired "industry standards."
- Section 609.930(c)(4) has the requirement for system institutions to "describe the plan to train employees, vendors, contractors, and the institution board to implement the institution's cyber risk program." Requiring system institutions to conduct some form of formal training for all of their vendors and contractors is impractical. The language does not take into account the complexity of the third-party relationship or the criticality of the third-party. As it relates to third-party vendors and contractors, the requirement should be for system institutions to conduct necessary vendor due diligence, monitoring, and include any necessary security obligations in their contracts with third-party vendors and contractors.
- Section 609.930(d) states that system institutions "must consider privacy and other legal compliance issues"; however, there is no guidance around frameworks,

implementation, or memorializing the privacy and compliance considerations. This language is ambiguous with no clear direction on how to achieve this requirement.

- Section 609.945 requires that “records stored electronically must be accurate, accessible, and reproducible for later reference.” There is no guidance on what records are actually required to be stored electronically. Additionally, the “reproducible for later reference” is vague and does not address jurisdictional requirements or system institutions’ respective data retention policies.

### **Conclusion**

We appreciate FCA’s efforts to address cyber risk with this Proposed Rule. In order to properly address this risk, there are areas of the Proposed Rule that require further clarification. As stated above, AgFirst is in agreement with the FCC’s comments and hope that you will fully consider implementing their recommendations. We thank you for the opportunity to constructively comment on the Proposed Rule.

Respectfully submitted,

**AgFirst Farm Credit Bank**

A handwritten signature in black ink, appearing to read "Bo Stone".

Michael T. “Bo” Stone  
Chairman of the Board Directors

A handwritten signature in black ink, appearing to read "Leon T. Amerson".

Leon T. Amerson  
Chief Executive Officer & President