

September 26, 2022

Ms. 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 Part 609 — RIN 3052-AD53; *Cyber Risk Management*; 87 Federal Register 45281-45284

Dear Ms. Agans:

Central Texas Farm Credit (“CTFC”) appreciates the opportunity to comment on the Farm Credit Administration’s (“FCA”) Notice of Proposed Rulemaking regarding Cyber Risk Management (“Proposed Rule”) that was published in the *Federal Register* on July 28, 2022.

We fully support the comments made by the Farm Credit Council (“FCC”) on behalf of Farm Credit System institutions (“System”) and the Farm Credit Bank of Texas (“FCBT”) in response to the Proposed Rule. While we agree with the goal of modernizing the information technology regulations, for the reasons more fully explained in the FCC’s comment letter and herein, we do not believe that the Proposed Rule meets the objective of creating a “principles-based” approach. Moreover, some of the Proposed Rule’s requirements are unclear or infeasible.

In addition, to supporting the positions of the FCC and FCBT regarding the Proposed Rule, Central Texas Farm Credit submits the following comments for your consideration:

Although FCA acknowledges that each institution’s cyber risk management program will look different depending on the size and complexity of the institution’s operations, the Proposed Rule does not provide clear guidance on how examiners should evaluate a risk program to see if it is consistent with the institution’s size and complexity. The Proposed Rule does not provide a definition for “complexity” or any thresholds or other guidance that would limit inconsistent and misaligned expectations by institutions and examiners when evaluating a smaller institution’s cyber risk program. CTFC relies heavily on FCBT to provide and administer a cyber risk program for its benefit. By using FCBT’s infrastructure, software, and other technology sources, our cyber risk management program is limited to monitoring our employees’ user access to FCBT’s network, physical access to devices and facilities, and security awareness training. The Proposed Rule does not appear to accommodate this type of relationship and is unclear as to how institutions with this relationship should create and apply a cyber risk program that complies with the Proposed Rule.

The Proposed Rule does not consider that smaller system institutions, like CTFC, receive the majority of their information technology services, including cyber risk management, from their funding bank or other third-party service provider. These providers have the financial and human resources to dedicate teams of people to only cyber security initiatives. This makes Section 609.930(c) quite concerning for CTFC because FCBT, our funding bank, owns, operates, and maintains most of the technology and infrastructure we use, which means a large portion of our

cyber risk management is handled by FCBT. If an incident occurred that required infrastructure, recovery, restoration, or forensics, we would have to request all of these to be performed by FCBT. The Proposed Rule does not clearly acknowledge this type of relationship or how to document such a relationship within the proposed required cyber program.

The Proposed Rule seems focused on creating new regulations for large system institutions that likely have independent IT departments and handle their cyber risk management in-house. The Proposed Rule does not provide any clear guidance or allowance for what smaller institutions should consider and include in their limited cyber risk management programs, especially when smaller associations rely heavily on their funding bank or a much larger third-party service provider for cyber risk management and other technology services. CTFC does not have the financial or human resources to take on such a large and complex task as cyber risk management without FCBT. We ask that the FCA review the Proposed Rule through the eyes of a small system institution that has limited resources and provide clear guidelines that are sensitive to the size and complexity of such institutions.

We appreciate the FCA's efforts to update the existing information technology regulations and replace the outdated E-Commerce Plan requirement. However, we believe the suggested revisions as set forth in the FCC and FCBT comment letters would make the Proposed Rule clearer and easier to implement and more effective in the rapidly changing technological environment.

Thank you again for the opportunity to comment on the Proposed Rule. We hope that our comments herein, as well as those submitted by the FCC, FCBT, and other System institutions will assist the FCA in its consideration of the Proposed Rule.

If you have any questions, please do not hesitate to contact me at boyd.chambers@farmcreditbank.com or (325) 643-5563.

Sincerely,

A handwritten signature in blue ink that reads "Boyd J. Chambers". The signature is written in a cursive style with a long, sweeping underline.

Boyd J. Chambers
Chief Executive Officer