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August 15, 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 Federal Register 36261-36266

Dear Ms. Agans:

Alabama Ag Credit, ACA (“Association”) appreciates the opportunity to comment on the Farm Credit Administration’s (“FCA”) Notice of Proposed Rulemaking regarding Loan Policies and Operations that was published in the *Federal Register* on June 16, 2022 (“YBS Proposed Rule”).

While we agree with and share the FCA’s passion to further the mission of serving and furnishing sound and constructive credit and related services to young, beginning, and small (“YBS”) farmers and ranchers, the YBS Proposed Rule does not provide any additional means for accomplishing this mission. As a result, our Association fully supports the comments made by the Farm Credit Council (“FCC”) on behalf of Farm Credit System institutions (“System”) in response to the YBS Proposed Rule. Furthermore, we join the FCC and respectfully request that the FCA withdraw the YBS Proposed Rule for the reasons outlined in the FCC letter.

In addition to supporting the position of the FCC regarding the YBS Proposed Rule, the Association submits the following comments for your consideration:

- 1) The FCA board received a report on August 11 which demonstrates the System’s continued strong performance supporting YBS borrowers under existing regulatory requirements.
- 2) The Association already completes a YBS plan as part of our annual strategic planning process, and through that process, we have developed numerous strategies such as:
 - a. Established a YBS Advisory Committee currently comprised of young borrowers to assist in developing and meeting the needs of YBS borrowers in each committee member’s area of representation.
 - b. Launched our JumpStart Program which provides grant funds to be utilized in the start-up/advancement of beginning operations in our chartered territory.

- c. Created a vendor voucher program to identify and assist small farmers who sell direct to consumers. This program covers part of the farmer's market participation fees each year.
 - d. Partnered with AgBiz Basics to provide training to applicants and borrowers related to financial management of their respective operations.
- 3) The YBS Proposed Rule provides that associations will be evaluated as part of a "rating system", and yet, the rule fails to provide any additional text on the rating system. Each association must implement plans appropriate for its market and not simply because another association has done it. The rating system incites competition, not collaboration, between associations if we are to be compared to each other. This has a significant negative impact for over-chartered associations like ours.
- 4) Implementing this rule will add additional administrative burdens that will cost time and money, which would be better utilized through direct support for YBS farmers and ranchers.

We appreciate the FCA's review of the existing regulations for opportunities to increase direct lender associations' YBS activity; however, for the reasons set forth in the FCC comment letter and in this letter, we do not support the YBS Proposed Rule as currently presented.

Accordingly, we respectfully request that the FCA withdraw the YBS Proposed Rule, or alternatively, we request an opportunity for System representatives and industry experts to further meet with the FCA to explore possible improvements that could be made to existing regulations to accomplish the stated goals of the YBS Proposed Rule.

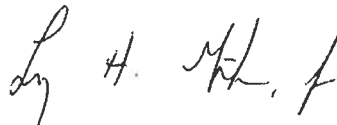
Thank you again for the opportunity to comment on the YBS Proposed Rule, and we hope that our comments, as well as those submitted by the FCC and other System institutions, will assist the FCA in reevaluating the YBS Proposed Rule.

If you have any questions, please do not hesitate to contact us.

Sincerely,



Douglas Thiessen
President/CEO
Alabama Ag Credit, ACA



Larry Gibson
Board Chairman
Alabama Ag Credit, ACA