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October 18, 2022

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

Re: Response to Notice of Intent & Request for Comment – Statement on Regulatory Burden, Farm Credit Administration, Agency; 12 CFR Chapter VI RIN 3052–AD55; 87 Federal Register 43227-43228

Dear Ms. Agans:

CoBank, ACB (CoBank) appreciates the opportunity to comment on the Farm Credit Administration’s (“FCA”) Statement on Regulatory Burden that was published in the Federal Register on July 20, 2022 (87 FR 43227).

CoBank participated with other Farm Credit System (FCS or System) institutions in a workgroup coordinated by the Farm Credit Council (FCC) to review regulations and the regulatory environment governing the System. We and the rest of the workgroup welcome FCA’s review to identify, modify and eliminate regulations which are unnecessary or unduly burdensome and not required by statute.

CoBank fully endorses the recommended regulatory relief addressed in the FCC comment letter. The burdens raised in that letter present real challenges to the System and ultimately real costs to our cooperative stockholders. They impact all FCS institutions to different levels.

CoBank offers one additional burden which impacts only CoBank and its wholly-owned subsidiary Farm Credit Leasing Corporation (FCL). Currently, FCA requires a separate Call Report for FCL which adds burden and costs to prepare and file. This separate Call Report provides no value as FCL’s financial results are fully incorporated in the CoBank Call Report and CoBank backstops FCL’s obligations. FCA Regulations 12 CFR 612.2 and 12 CFR 621.12 require Call Reports to be filed for each institution chartered under the Act. However, wholly-owned subsidiaries are typically excluded from the requirement for filing a separate Call Report through administrative action by FCA. These exclusions include the wholly-owned subsidiaries of Agricultural Credit Associations (Production Credit Associations and Federal Land Credit Associations) among others. Exclusion of wholly-owned subsidiaries from separate financial reporting is appropriate and reasonable as wholly-owned subsidiaries operate under the umbrella of the parent. In addition, FCA has previously recognized that FCL is integrated into CoBank by waiving the requirement for a separate Annual Report and providing regulatory relief from separate capital

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requirements. Accordingly, we ask that FCA administratively waive the requirement for a separate Call Report since there will be no loss of meaningful data.

Like all Farm Credit System (System) institutions, CoBank supports a safe and sound System operating in compliance with laws and regulations. However, we become concerned when regulations go beyond statutory requirements and when examination guidance and practices go beyond regulatory requirements without demonstrating the safety and soundness risk presented. Therefore, we fully support and appreciate FCA's efforts to identify and address those regulations and practices.

Sincerely,

A handwritten signature in black ink that reads "Tom Halverson". The signature is written in a cursive style with a horizontal line above the first few letters.

Thomas E. Halverson
President and Chief Executive Officer